



# Executive Committee Agenda

September 03, 2026

Click link to access the meeting:

<https://www.zoomgov.com/j/1619530340>

Zoom Meeting ID

## Ways to Join



**Computer:** Click the link above. You will be prompted to run the Zoom browser or Zoom application. Once signed on to the meeting, you will have the option to join using your computer audio system or phone.

### Webinar Features:

|                                                                                                 |   |                                                                                                                                                                                                                                                                                    |
|-------------------------------------------------------------------------------------------------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br>Raise Hand | ▶ | Use the <b>raise hand</b> feature every time you wish to make a public comment.                                                                                                                                                                                                    |
|                | ▶ | Participants can enable <b>closed captioning</b> by clicking the CC icon. You may also view the full transcript and change the font size by clicking 'subtitle settings'. These features are not available via phone.                                                              |
|                | ▶ | This symbol shows you are <b>muted</b> , click this icon to unmute your microphone.                                                                                                                                                                                                |
|                | ▶ | This symbol shows you are currently <b>unmuted</b> , click this button to mute your microphone.                                                                                                                                                                                    |
|               | ▶ | The chat feature should be used by panelists and attendees solely for "housekeeping" matters as comments made through this feature will not be retained as part of the meeting record. See the <b>Live Verbal Public Comment</b> for instructions on how to make a public comment. |



**Smartphone or Tablet:** Download the Zoom app and join the meeting by clicking the link or using the webinar ID (found in the link).



### Phone:

1. If you are joining the meeting audio by phone and viewing the meeting on a device, dial the number provided in the 'join audio' phone call tab of the initial pop-up, and enter the Meeting ID (found in the link).
2. If you are joining by phone only, dial: **+1-669-900-9128** or **+1-253-215-8782** and type the meeting ID found in the link, press #. You will have access to the meeting audio, **but will NOT be able to view the PowerPoint presentations.**



**Live Verbal Public Comments:** Use the 'Raise Hand' icon every time you wish to make a public comment on an item. Raise your hand once the agenda item you wish to comment on has been called. In person public comments will be taken first, virtual attendees will be taken in the order in which they raise their hand. Requests to speak will not be taken after the public comment period ends, unless under the Chair's discretion. General Public Comment, at the beginning of the Board of Directors meeting only, will be limited to five speakers. Additional speakers with general public comments will be heard at the end of the meeting. Two-minutes of time is allotted per speaker, unless otherwise directed by the Chair.

### Public Comments Made Via Zoom

1. Click the link found at the top of this instruction page
2. Click the raise hand icon located in the bottom center of the platform
3. The Clerk will announce your name when it is your turn to speak
4. Unmute yourself to speak

### Public Comments Made by Phone Only

1. Dial **+1-669-900-9128**
2. Type in the zoom meeting ID found in the link and press #
3. Dial \*9 to raise your hand via phone
4. The Clerk will call out the last 4 digits of your phone number to announce you are next to speak
5. Dial \*6 to unmute yourself



**Written Public Comments (before the meeting):** Written public comments will be recorded in the public record and will be provided to MTS Board Members in advance of the meeting. Comments must be emailed or mailed to the Clerk of the Board\* by 4:00pm the day prior to the meeting.

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**Translation Services:** Requests for translation services can be made by contacting the Clerk of the Board\* at least four working days in advance of the meeting.

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**In-Person Participation:** In-person public comments will be heard first. Following in-person public comments, virtual attendees will be heard in the order in which they raise their hand via the Zoom platform. Speaking time will be limited to two minutes per person, unless specified by the Chairperson. Requests to speak will not be taken after the public comment period ends, unless under the Chair's discretion.

**Instructions for providing in-person public comments:**

1. Fill out a speaker slip located at the entrance of the Board Room;
2. Submit speaker slip to MTS staff seated at the entrance of the Board Room;
3. When your name is announced, please approach the podium located on the right side of the dais to make your public comments.

Members of the public are permitted to make general public comment at the beginning of the agenda or specific comments referencing items on the agenda during the public comment period. General Public Comment, at the beginning of the Board of Directors meeting only, will be limited to five speakers. Additional speakers with general public comments will be heard at the end of the meeting.

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**Assistive Listening Devices (ALDs):** ALDs are available from the Clerk of the Board\* prior to the meeting and are to be returned at the end of the meeting.

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**Reasonable Accommodations:** As required by the Americans with Disabilities Act (ADA), requests for agenda information in an alternative format or to request reasonable accommodations to facilitate meeting participation, please contact the Clerk of the Board\* at least two working days prior to the meeting.

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**\*Contact Information:** Contact the Clerk of the Board via email at [ClerkoftheBoard@sdmts.com](mailto:ClerkoftheBoard@sdmts.com), phone at (619) 398-9561 or by mail at 1255 Imperial Ave. Suite 1000, San Diego CA 92101.



# Agenda del Comité Ejecutivo

September 03, 2026

Haga clic en el enlace para acceder a la reunión:

<https://www.zoomgov.com/j/1619530340>

ID de la reunión  
en Zoom

## Formas de Participar



**Computadora:** Haga clic en el enlace más arriba. Recibirá instrucciones para operar el navegador de Zoom o la aplicación de Zoom. Una vez que haya iniciado sesión en la reunión, tendrá la opción de participar usando el sistema de audio de su computadora o teléfono.

### Funciones del Seminario En Línea:

|                                                                                                       |   |                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------------------------|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br>Levantar la mano | ► | Use la herramienta de <b>levantar la mano</b> cada vez que desee hacer un comentario público.                                                                                                                                                                                                                                                                   |
|                      | ► | Los participantes pueden habilitar el <b>subtitulado</b> haciendo clic en el ícono CC. También puede ver la transcripción completa y cambiar el tamaño de letra haciendo clic en “configuración de subtítulos”. Estas herramientas no están disponibles por teléfono.                                                                                           |
|                      | ► | Este símbolo indica que usted se encuentra en <b>silencio</b> , haga clic en este ícono para quitar el silenciador de su micrófono.                                                                                                                                                                                                                             |
|                      | ► | Este símbolo indica que su micrófono se encuentra <b>encendido</b> . Haga clic en este símbolo para silenciar su micrófono.                                                                                                                                                                                                                                     |
|                    | ► | La herramienta de chat deben usarla los panelistas y asistentes únicamente para asuntos “pertinentes a la reunión”, ya que comentarios realizados a través de esta herramienta no se conservarán como parte del registro de la reunión. Consulte el <b>Comentario público verbal</b> en vivo para obtener instrucciones sobre cómo hacer un comentario público. |



**Teléfono Inteligente o Tableta:** Descargue la aplicación de Zoom y participe en la reunión haciendo clic en el enlace o usando el ID del seminario web (que se encuentra en el enlace).



### Teléfono:

1. Si está participando en la reunión mediante audio de su teléfono y viendo la reunión en un dispositivo, marque el número indicado en la pestaña de llamada telefónica “unirse por audio” en la ventana emergente inicial e ingrese el ID de la reunión (que se encuentra en el enlace).
2. Si está participando solo por teléfono, marque: **+1-669-900-9128** o **+1-253-215-8782** e ingrese el ID de la reunión que se encuentra en el enlace, pulse #. Tendrá acceso al audio de la reunión, **pero NO podrá ver las presentaciones en PowerPoint.**



**Comentarios Públicos Verbales en Vivo:** Use la herramienta “levantar la mano” cada vez que desee hacer un comentario público sobre alguno de los artículos. Levante la mano una vez que el artículo de la agenda sobre el que desea comentar haya sido convocado. Los comentarios públicos en persona se escucharán primero, se escuchará a los asistentes virtuales en el orden en el que levanten la mano. No se aceptarán solicitudes para hablar después de que termine el periodo para hacer comentarios públicos, a menos de que el presidente determine de otra forma a su discreción. Comentarios públicos generales, únicamente al inicio de la reunión de la Junta de Directores, se limitarán a cinco personas que deseen hablar. Las personas adicionales que deseen aportar comentarios públicos generales podrán hacerlo al final de la reunión. Se otorga dos minutos de tiempo por persona que desee hablar, a menos de que el presidente instruya de otra forma. *(Consulte la página 2 para obtener instrucciones sobre cómo hacer un comentario público.)*

## Comentarios Públicos a Través de Zoom

1. Haga clic en el enlace que se encuentra en la parte superior de esta página de instrucciones
2. Haga clic en el ícono de levantar la mano en el centro inferior de la plataforma
3. El secretario anunciará su nombre cuando sea su turno de hablar
4. Desactive el silenciador para que pueda hablar

## Comentarios Públicos Realizados Únicamente por Teléfono

1. Marque el **+1-669-900-9128**
2. Ingrese el ID de la reunión en Zoom que se encuentra en el enlace y pulse #
3. Marque \*9 para levantar la mano por teléfono
4. El secretario indicará los últimos 4 dígitos de su número de teléfono para anunciar que usted será el siguiente en hablar
5. Marque \*6 para desactivar el silenciador



**Comentarios Públicos por Escrito (Antes de la Reunión):** Los comentarios públicos por escrito se registrarán en el registro público y se entregarán a los miembros de la Junta de MTS antes de la reunión. Los comentarios deben enviarse por correo electrónico o postal al secretario de la Junta\* antes de las 4:00 p.m. el día anterior a la reunión.



**Servicios de Traducción:** Pueden solicitarse servicios de traducción comunicándose con el secretario de la Junta\* por lo menos cuatro días hábiles antes de la reunión.



**Participación en Persona:** Los comentarios públicos en persona se escucharán primero. Después de los comentarios públicos en persona, se escuchará a los asistentes virtuales en el orden en el que levanten la mano a través de la plataforma de Zoom. El tiempo para hablar se limitará a dos minutos por persona, a menos de que el presidente especifique de otra forma. No se recibirán solicitudes para hablar después de que termine el periodo para hacer comentarios públicos, a menos de que el presidente determine de otra forma a su discreción.

### Instrucciones para brindar comentarios públicos en persona:

1. Llene la boleta para personas que desean hablar que se encuentran en la entrada de la Sala de la Junta.
2. Entregue la boleta para personas que desean hablar al personal de MTS que se encuentra sentado en la entrada de la Sala de la Junta.
3. Cuando anuncien su nombre, por favor, acérquese al podio ubicado en el lado derecho de la tarima para hacer sus comentarios públicos.

Los miembros del público pueden hacer comentarios públicos generales al inicio de la agenda o comentarios específicos que hagan referencia a los puntos de la agenda durante el periodo de comentarios públicos. Los comentarios públicos generales únicamente al inicio de la reunión de la Junta de Directores, se limitarán a cinco personas que deseen hablar. Las personas adicionales que deseen aportar comentarios públicos generales podrán hacerlo al final de la reunión.



**Dispositivos de Asistencia Auditiva (ALD, por sus siglas en inglés):** Los ALD están disponibles con el secretario de la Junta\* antes de la reunión y estos deberán ser devueltos al final de la reunión.



**Facilidades Razonables:** Según lo requerido por la Ley de Estadounidenses con Discapacidades (ADA, por sus siglas en inglés), para presentar solicitudes de información de la agenda en un formato alternativo o solicitar facilidades razonables para facilitar su participación en la reunión, por favor, comuníquese con el secretario de la Junta\* por lo menos dos días hábiles antes de la reunión.



**\*Información de Contacto:** Comuníquese con el secretario de la Junta por correo electrónico en [ClerkoftheBoard@sdmts.com](mailto:ClerkoftheBoard@sdmts.com), por teléfono al **(619) 398-9561** o por correo postal en **1255 Imperial Ave. Suite 1000, San Diego CA 92101.**





## Executive Committee Agenda

September 03, 2026 at 9:00 a.m.

**In-Person Participation:** James R. Mills Building, 1255 Imperial Avenue, 10th Floor Board Room, San Diego CA 92101

The Executive Committee also serves as the Audit Oversight Committee and Budget Development Committee

**Teleconference Participation:** (669) 254-5252; Webinar ID: 161 953 0340, <https://www.zoomgov.com/j/1619530340>

| NO. | ITEM SUBJECT AND DESCRIPTION | ACTION |
|-----|------------------------------|--------|
|-----|------------------------------|--------|

|    |                  |  |
|----|------------------|--|
| 1. | <b>Roll Call</b> |  |
|----|------------------|--|

|    |                        |  |
|----|------------------------|--|
| 2. | <b>Public Comments</b> |  |
|----|------------------------|--|

This item has a two minute per speaker time limit. If you have a report to present, please give your copies to the Clerk of the Board.

|    |                            |  |
|----|----------------------------|--|
| 3. | <b>Approval of Minutes</b> |  |
|----|----------------------------|--|

Action would approve the July 16, 2026 Executive Committee meeting Minutes.

Approve

### DISCUSSION ITEMS

|    |                                                                                        |  |
|----|----------------------------------------------------------------------------------------|--|
| 4. | <b>Fiscal Year (FY) 2027 Operating Budget Amendment (Mike Thompson and Mark Olson)</b> |  |
|----|----------------------------------------------------------------------------------------|--|

Action would forward a recommendation to the MTS Board of Directors to enact Resolution No. 26-18 amending the FY 2027 operating budget for MTS, San Diego Transit Corporation (SDTC), San Diego Trolley, Inc. (SDTI), MTS Contract Services, and the Coronado Ferry.

Approve

### OTHER ITEMS

|    |                                                            |  |
|----|------------------------------------------------------------|--|
| 5. | <b>Review of Draft September 17, 2026 MTS Board Agenda</b> |  |
|----|------------------------------------------------------------|--|

|    |                                                                 |  |
|----|-----------------------------------------------------------------|--|
| 6. | <b>Staff Communications and Committee Member Communications</b> |  |
|----|-----------------------------------------------------------------|--|

|    |                                           |  |
|----|-------------------------------------------|--|
| 7. | <b>Next Meeting Date: October 1, 2026</b> |  |
|----|-------------------------------------------|--|

<sup>1</sup> On January 15, 2026 (Agenda Item (AI) 11), the Board appointed the membership of the Executive Committee as the “Joint Executive Committee and Budget Development Committee”.



CLOSED SESSION

**8. Public Comment for Closed Session**

- |                                                                                                                                                                                                           |                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| <b>9. Closed Session - Public Employee Performance Evaluation/ Conference<br/>With Labor Negotiators – Chief Executive Officer Pursuant to California<br/>Government Code Sections 54957 and 54957.6;</b> | Possible<br>Action |
| Agency-Designated Representative: Stephen Whitburn, Chair                                                                                                                                                 |                    |
| Employee: Sharon Cooney, CEO                                                                                                                                                                              |                    |

**10. Adjournment**



## Orden del día del Comité Ejecutivo

3 de Septiembre de 2026 a las 9:00 a.m.

**Participación Presencial:** James R. Mills Building, 1255 Imperial Avenue, 10th Floor Board Room, San Diego  
CA 92101

El Comité Ejecutivo también actúa como Comité de Supervisión de Auditorías y Comité de Desarrollo Presupuestario.

**Participación por teleconferencia:** (669) 254-5252; ID del seminario web: 161 953 0340,  
<https://www.zoomgov.com/j/1619530340>

| No. | ASUNTO Y DESCRIPCIÓN DEL ÍTEM | ACCIÓN |
|-----|-------------------------------|--------|
|-----|-------------------------------|--------|

|    |                            |  |
|----|----------------------------|--|
| 1. | <b>Lista de Asistencia</b> |  |
|----|----------------------------|--|

|    |                             |  |
|----|-----------------------------|--|
| 2. | <b>Comentarios Públicos</b> |  |
|----|-----------------------------|--|

Este ítem tiene un límite de dos minutos por orador. Si tiene un informe que presentar, entregue copias al secretario de la junta.

|    |                                |  |
|----|--------------------------------|--|
| 3. | <b>Aprobación de las Actas</b> |  |
|----|--------------------------------|--|

La acción aprobaría las actas de la reunión del Comité Ejecutivo del 16 de Julio de 2026.

Aprobar

### ASUNTOS A DISCUTIR

|    |                                                                                           |  |
|----|-------------------------------------------------------------------------------------------|--|
| 4. | <b>Enmienda al Presupuesto Operativo del Año Fiscal 2027 (Mike Thompson y Mark Olson)</b> |  |
|----|-------------------------------------------------------------------------------------------|--|

La acción recomendaría a la Junta Directiva del Sistema Metropolitano de Transporte (MTS, por sus siglas en inglés) que adopte la Resolución n.º 26-18 para enmendar el presupuesto operativo del año fiscal 2027 de MTS, San Diego Transit Corporation (SDTC), San Diego Trolley, Inc. (SDTI), MTS Contract Services y el ferry de Coronado.

Aprobar

### OTROS ÍTEMS

|    |                                                                                                                        |  |
|----|------------------------------------------------------------------------------------------------------------------------|--|
| 5. | <b>Revisión del Borrador del Orden del día de la Reunión de la Junta Directiva de MTS del 17 de Septiembre de 2026</b> |  |
|----|------------------------------------------------------------------------------------------------------------------------|--|

|    |                                                                 |  |
|----|-----------------------------------------------------------------|--|
| 6. | <b>Comunicaciones del Personal y de los Miembros del Comité</b> |  |
|----|-----------------------------------------------------------------|--|

<sup>1</sup> El 15 de enero de 2026 (ítem n.º 11 del orden del día [AI, por sus siglas en inglés]), la Junta designó a los miembros del Comité Ejecutivo como el “Comité Ejecutivo Conjunto y Comité de Desarrollo Presupuestario”.

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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 multiple cities in San Diego County.



**7. Fecha de la Próxima Reunión: 1 de Octubre de 2026**

SESIÓN PRIVADA

**8. Comentarios del Público Para la Sesión Privada**

**9. Sesión privada: Evaluación del Desempeño de Empleados Públicos / Conferencia con los Negociadores Laborales — Director Ejecutivo, de Conformidad con las Secciones 54957 y 54957.6 del Código de Gobierno de California.**

Posible  
Acción

Representante Designado por la Agencia: Stephen Whitburn, Presidente  
Empleado: Sharon Cooney, Directora General

**10. Cierre de la Reunión**



**Metropolitan  
Transit  
System**

MTS STAFF USE ONLY  
Public Comment  
AI #: 2 Date: 9/3/26  
No. in queue: 1

## IN – PERSON PUBLIC COMMENT

SPEAKER INFORMATION (please print)

Agenda Item No.:

2

Name:

AJ Estrada

Telephone:

—

Email:

—

City of Residence:

Chula Vista

Remark Subject:

Public Comment

Affiliated

Organization:

SDBTE

**PLEASE SUBMIT THIS COMPLETED FORM BACK TO THE CLERK**

### INSTRUCTIONS

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### BOARD OF DIRECTORS MEETING

General Public Comment at the beginning of the agenda will be limited to five speakers with the standard two-minute limit, unless otherwise directed by the Chair. Additional speakers with general public comments will be heard at the end of the meeting.

### MEETING RECORD

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**Metropolitan  
Transit  
System**

MTS STAFF USE ONLY  
Public Comment  
AI #: 2 Date: 9/3/26  
No. in queue: 2

## IN – PERSON PUBLIC COMMENT

SPEAKER INFORMATION (please print)

Agenda Item No.:

2

Name:

Brigette Browning

Telephone:

—

Email:

—

City of Residence:

—

Remark Subject:

Public Comment

Affiliated

Organization:

SDICLC

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MTS STAFF USE ONLY

Public Comment

AI #: 2 Date: 9/3/26

No. in queue: 3

## IN – PERSON PUBLIC COMMENT

SPEAKER INFORMATION (please print)

Agenda Item No.: 2  
Name: Miguel B Ramirez Telephone: 619-879-0748  
Email: mramirez2004@gmail.com  
City of Residence: Chula Vista  
Remark Subject: Public comments  
Affiliated  
Organization: Teamsters 542

**PLEASE SUBMIT THIS COMPLETED FORM BACK TO THE CLERK**

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**Metropolitan  
Transit  
System**

MTS STAFF USE ONLY  
Public Comment  
AI #: 8 Date: 9/3/26  
No. in queue: 4

## IN – PERSON PUBLIC COMMENT

SPEAKER INFORMATION (please print)

Agenda Item No.:

8 2

Name:

Peter Kennedy

Telephone:

248-736-8510

Email:

pkennedy@smart-union.org

City of Residence:

N/A

Remark Subject:

CEO Employee Performance Evaluation

Affiliated

Organization:

Sheet Metal Air Rail and Transportation Union (SMART)

**PLEASE SUBMIT THIS COMPLETED FORM BACK TO THE CLERK**

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MTS STAFF USE ONLY  
Public Comment  
AI #: 2 Date: 9/3/20  
No. in queue: 5

## IN – PERSON PUBLIC COMMENT

### SPEAKER INFORMATION (please print)

Agenda Item No.: 2  
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Remark Subject: ONGOING CONCERNS  
Affiliated  
Organization: TEAMSTERS LOCAL UNION NO. 542

**PLEASE SUBMIT THIS COMPLETED FORM BACK TO THE CLERK**

### INSTRUCTIONS

This meeting is offered both in an in-person and virtual format. In-person speaker requests will be taken first. Speaking time will be limited to two minutes per person, unless specified by the Chairperson. Please make your comment at the podium located on the right side of the dais. Members of the public are permitted to make general public comments at the beginning of the agenda or make specific comments on any item in the agenda at the time the Board/Committee is considering the item during the meeting. Requests to speak will not be taken after the public comment period ends, unless under the Chair's discretion.

### BOARD OF DIRECTORS MEETING

General Public Comment at the beginning of the agenda will be limited to five speakers with the standard two-minute limit, unless otherwise directed by the Chair. Additional speakers with general public comments will be heard at the end of the meeting.

### MEETING RECORD

A paraphrased version of this comment will be included in the minutes. The full comment can be heard by reviewing the recording posted on the respective meeting website:

<https://www.sdmts.com/about/meetings-and-agendas>. This form will be included in the Meeting Materials posted on the respective MTS meeting site.

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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 multiple cities in San Diego County.



MINUTES  
MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
EXECUTIVE COMMITTEE

July 16, 2026

[Clerk's note: Except where noted, public, staff and board member comments are paraphrased. The full comment can be heard by reviewing the recording at the [MTS website](#).]

**1. Roll Call**

Chair Whitburn called the Executive Committee meeting to order at 9:05 a.m. A roll call sheet listing Executive Committee member attendance is attached as Attachment A.

**2. Public Comment**

There were no Public Comments.

**3. Approval of Minutes**

**Public Comment**

There were no Public Comments.

**Committee Comment**

There were no Committee Comments.

**Action Taken**

Vice Chair Goble moved to approve the minutes of the May 14, 2026, MTS Executive Committee meeting. Chair Whitburn seconded the motion, and the vote was 6 to 0 in favor with Board Member Montgomery Steppe, absent.

**DISCUSSION ITEMS**

**4. Fare Freeze Program Update (Mark Olson and Israel Maldonado)**

Mark Olson, MTS Director of Marketing & Communications, and Israel Maldonado, MTS Director of Fare Technology & Operations, presented on Fare Freeze Program. They presented on: Board direction recap, progress to date, PRONTO LIFE Eligibility & Qualifying fares, PRONTO LIFE application process, back end solution & system integration, next steps, implementation, branding/launch plans, cost/enrollment estimates and financial sustainability considerations.

**Public Comment**

Alex Wong – Provided a written statement to the Board prior to the meeting. The written comments is provided in the July 16, 2026 Final Meeting Packet.

Aria Grossman – Provided a verbal statement to the Board during the meeting. Aria, Policy Manager, Circulate Planning and Policy, stated that before a final decision was made on the LIFE Program, the public should be informed of the significant impacts the program could have on riders. Aria mentioned that the anticipated revenue loss and potential service reductions could significantly affect riders, including low-income riders. Aria urged the Board to provide the public with a model demonstrating how the program would impact transit service before making a final decision.



### **Committee Comment**

Board Member Elo-Rivera thanked staff for bringing the presentation forward despite the tight timeline and for working with the County of San Diego to obtain the necessary information for the program. He emphasized that the goal of both MTS and the County of San Diego to make the eligibility process for the LIFE program easy and effective for the riders.

Mr. Maldonado responded that staff was planning a phased launch of the program. He stated that Phase I will provide valuable information to improve the LIFE program, including data on ridership volume and eligibility processing timeframes. Mr. Maldonado added that staff would use that information to enhance Phase II of the program.

Sharon Cooney, MTS Chief Executive Officer (CEO), added that the LIFE program would model the eligibility process used for the Youth Opportunity Pass (YOP) and the SDM pass. Board Member Elo-Rivera asked what lessons learned from the YOP re-enrollment are being incorporated into the LIFE program. Mr. Maldonado explained that the YOP verification process was less complex than the LIFE program because it required fewer verification steps. He added that staff is maintaining the same efficiency by utilizing the same online reduced fare portal, which has proven effective.

Mr. Maldonado stated that most automated and manual review cases were resolved within three calendar days and that applicants received a temporary 30-day verification period upon initial submission. He added that this process allows staff sufficient time to work with Health and Human Services Agency (HHSA) to efficiently verify a long-term eligibility. Ms. Cooney added that County staff who administer these programs indicated that obtaining a verification letter was relatively straightforward. She stated that riders could upload the letter and receive temporary 30-day verification while their application was being processed.

Board Member Elo-Rivera asked for clarification regarding the projected revenue reduction, given that the Board had approved a budget that did not include a fare increase. Ms. Cooney clarified that the projected revenue reduction was associated with the fare study. She explained that the fare study revenue had originally been included during budget development but later removed. Ms. Cooney added that staff had been directed to return to the Board in the fall with an updated revenue comparison once a decision regarding fare increases had been made.

Board Member Elo-Rivera expressed disappointment with some of the comments that appeared to place blame on low-income riders for potential service reductions. He stated that the service impact projections did not account for riders who might no longer be able to afford transit if fares increased. Board Member Elo-Rivera stated that it was unfair to suggest that all MTS riders would receive less service simply because lower-income riders would continue paying the same fare they currently paid. He emphasized that communication about the LIFE program should focus on informing the public about the program and ensuring that riders understood the enrollment process. Board Member Elo-Rivera added that pursuing non-fare revenue sources would help sustain transit services. He asked whether LIFE program participants would continue to use their existing PRONTO cards. Mr. Maldonado confirmed that LIFE program riders would be able to continue using their current PRONTO cards. He explained that when a LIFE program rider taps their card, the validator would indicate that a LIFE fare had been applied. Board Member Elo-Rivera emphasized the importance of avoiding the stigmatization of low-income riders and noted that participants in the program would continue paying the same fares they currently paid. He stated that low-income riders should not be blamed for broader funding challenges facing public transit and encouraged continued efforts to pursue alternative revenue sources beyond passenger fares.

Board Member Moreno thanked staff for the quick turnaround and the presentation. She also thanked Board Member Elo-Rivera and his staff for proposing the fare freeze program to support lower income riders. Board Member Moreno stated that numbers played an important role in decision making and cost benefit analyses. She noted that staff presentation referenced approximately 34,000 eligible transit pass holders could potentially benefit from the fare freeze program and asked how this estimate was calculated.

Mr. Maldonado explained that staff estimated eligibility by reviewing the number of individuals enrolled in CalFresh, CalWORKs, and/or Medi-Cal. He stated that staff excluded children and seniors ages 65 and older and individuals with disabilities who already qualified for other discounted programs. Mr. Maldonado added that approximately 7% of the remaining population was estimated to use transit and that staff adjusted the estimate to account for individuals eligible for multiple programs in order to avoid duplication.

Board Member Moreno thanked Board Member Montgomery Steppe and her staff for collaborating with MTS to obtain the data needed for the fare freeze program. She asked staff to confirm that there would be no overlap in the 34,000 eligible transit pass holders. Mr. Maldonado reiterated that the figure represented an estimate. He explained that, due to the limited timeframe available to compile the data, staff had not been able to conduct a more comprehensive analysis that would have incorporated additional factors and refinements.

Board Member Moreno stated that she was interested in understanding how staff had calculated the program costs for Phase I and Phase II. She emphasized that the estimate of 34,000 eligible transit pass holders was a key factor in the cost analysis and asked whether staff would be able to further validate that estimate by October. Board Member Moreno noted that a portion of the estimated 34,000 eligible participants might already be transit pass holders and stated that this could significantly affect the overall estimate and cost analysis. Mr. Maldonado responded that staff would work with the Finance department to provide more background on the numbers provided. He added that the current presentation was coming from a technical perspective to further understand how to scale up solutions. Ms. Cooney clarified that the estimate was based on existing transit passholders.

Board Member Moreno stated that the Board and public would have benefited from additional information explaining how the program estimates and projections had been developed. She also asked staff to explain how the application process would minimize administrative burdens for riders, noting that documentation requirements and in person enrollment challenges could create barriers for working families and other participants. Mr. Maldonado explained that the enrollment process had become significantly more accessible through a robust online platform that allowed riders to apply without appearing in person. He stated that applicants without internet access could receive assistance at the Transit Store. Ms. Cooney added that MTS also offered assistance through its call center for riders who encountered difficulties during the application process. She noted that the required documentation was generally already possessed by applicants because it was the same information needed to qualify for other county assistance programs. Board Member Moreno emphasized that reducing administrative barriers for obtaining reduced fare transit programs should remain a priority for the agency. She stated that administrative requirements could prevent riders from accessing programs, particularly individuals who were digitally disconnected, had limited English proficiently, or faced challenges navigating complex systems.

Board Member Moreno also noted that additional funding had recently been discussed at San Diego Association of Governments (SANDAG) and stated that available funding opportunities



should be considered as part of the agency's overall financial planning. She thanked staff for the quick turnaround on the item and thanked Board Member Elo-Rivera and his staff for bringing forward the fare freeze proposal.

Vice Chair Goble asked whether staff had estimated the additional costs associated with implementing the LIFE program, including vendor expenses, system modification or conversion costs, administrative expenses and any staffing needs that might require additional positions. Mr. Maldonado stated that staff had not yet finalized an estimate of the additional implementation costs associated with the LIFE program. He explained that staff was concurrently defining the program scope and identifying potential costs, including administrative and system related expenses. Mr. Maldonado added that staff was first evaluating the use of existing resources and available capacity and would return to the Board for approval if additional funding was needed. Vice Chair Goble noted that reaching the estimated 34,000 eligible riders by October 1 would be a significant undertaking and acknowledged that not all eligible participants would likely be enrolled by that date. He asked whether riders who become eligible after a fare increase took effect would receive any credit or reimbursement for the higher fares they paid prior to enrollment in the LIFE program. Mr. Maldonado stated that MTS had mechanisms in place to make riders whole if they pay higher fares before becoming enrolled in the LIFE program. He explained that options such as goodwill credits or pass-based adjustments could be utilized and that the specific approach would depend on the policy direction provided by the Board.

Ms. Cooney stated that the implementation of the YOP program had also required significant effort and was launched successfully using an online enrollment portal. She explained that lessons learned from the YOP program had positioned staff to accommodate the anticipated volume of the LIFE program participants. Ms. Cooney added that the County would be an important partner in promoting the program to eligible individuals enrolled in qualifying assistance programs. She noted that the online application process and temporary 30-day approval period were intended to make enrollment as seamless as possible, and that staff would continue refining the program based on lessons learned during implementation.

Board Member Elo-Rivera thanked Board Member Moreno and Vice Chair Goble for their comments and questions. He stated that there had been discussions with the County regarding the possibility of allowing applicants to use existing benefit documentation, such as an Electronic Benefits Transfer (EBT) Card, Benefits Identification Card (BIC) or CalSAWS documentation, along with a photo identification card, as part of the LIFE program eligibility verification process.

Ms. Cooney explained that obtaining a verification letter was a relatively simple process for individuals currently enrolled in qualifying assistance programs. She stated that the benefits cards, such as EBT cards, may not always reflect current eligibility because they could remain in circulation without an expiration date. Mr. Maldonado noted that using a verification letter offered an additional advantage because it included a case number that did not contain Personally Identifiable Information (PII). He explained that the case number could be used by MTS and HHSA to verify eligibility for the LIFE program while protecting applicant privacy and supporting long term verification efforts.

Board Member Elo-Rivera asked staff whether they recalled the estimated loss in revenue that had been projected due to a decline in ridership resulting from the proposed fare increase. Mr. Olson stated that staff had projected a ridership decline of approximately 2% to 3% as a result of the proposed fare increase. Board Member Elo-Rivera stated that if staff assumed a 2% to

3% ridership decline would occur with a fare increase, the analysis should also reflect the potential ridership preservation benefits of the program. He emphasized that excluding this factor did not present a complete picture and could unfairly imply that low-income riders were responsible for potential service reductions.

#### **Action Taken**

No action taken. Informational item only.

#### **5. Proposed Ad Hoc Advocacy Committee (Julia Tuer)**

Julia Tuer, MTS Manager of Government Affairs, presented on Proposed Ad Hoc Advocacy Committee. She presented on: Proposed committee membership, committee structure, committee purpose, time commitment and recommendation.

#### **Public Comment**

There were no Public Comments.

#### **Committee Comment**

Board Member Moreno thanked staff for the presentation. She stated that her comments made in June regarding a stronger advocacy strategy may have been misinterpreted and expressed concern that creating an Ad Hoc Advocacy Committee could slow progress by adding another layer of meetings. Board Member Moreno stated that meaningful engagement led by Chair Whitburn, Vice Chair Goble, and Ms. Cooney would be a more effective approach. She suggested that the agency develop a long term strategy for its Capital Improvement Program (CIP) and begin discussions with the region's state legislative delegation regarding future legislative priorities and funding opportunities.

Board Member Moreno noted that advancing major CIP projects could help offset funding challenges and referenced the agency's Zero Emission Bus (ZEB) transition efforts and related capital investments as an example of projects that should be considered as part of a multi-year advocacy strategy. Mike Thompson, MTS Deputy Chief Financial Officer, clarified that the funding referenced for the agency's ZEB transition projects had already been committed to those CIP's and was in the process of being spent. He stated that the funds were therefore not available for reallocation to other purposes.

Board Member Moreno thanked staff for the clarification, stating that it strengthened her point. She emphasized that the state legislators should be aware of the agency's future capital funding needs. Board Member Moreno suggested that MTS proactively communicate anticipated funding requirements for future years so that state funding opportunities could be pursued in advance.

Ms. Cooney clarified that the concept of an Ad Hoc Advocacy Committee had not originated from Ms. Tuer. She explained that the idea had been raised by several Board Members and was brought forward for committee discussion rather than as a specific recommendation. Ms. Cooney added that staff was already actively engaged in advocacy efforts similar to those being discussed. She noted that she had recently met with Assemblymember David Alvarez and stated that he was carrying legislation on behalf of MTS.

Board Member Moreno stated that she was providing her input on the proposed Ad Hoc Advocacy Committee and that she did not support the creation of the committee. She expressed the view that additional committee structures could unnecessarily bureaucratize the advocacy

process and stated that stronger communication and engagement between the Board, agency leadership and elected representatives would be more effective.

Chair Whitburn acknowledged Board Member Moreno's comments and stated that her points regarding communication were well taken. He said that he could do a better job of keeping the Board informed about advocacy efforts and committed to providing more regular updates. Chair Whitburn noted that he had met with several state legislators and participated in advocacy efforts in Sacramento on behalf of the agency. He also stated that MTS had advocacy representatives in Sacramento and suggested that more regular updates regarding their activities could be beneficial to the Board. Chair Whitburn stated there were prior discussions about creating a greater role for Board Members in advocacy efforts through their relationship with elected officials and noted that the proposed Ad Hoc Committee was intended to provide a structure for that engagement.

Board Member Elo-Rivera suggested that staff should consider sharing legislative and advocacy developments between meetings. He noted that more consistent pre-Board meeting briefings could provide additional opportunities for Board Members to receive updates and offer feedback. Board Member Elo-Rivera emphasized the importance of leveraging the collective knowledge, experience, and relationships of Board Members to advance MTS's state and federal legislative priorities. He stated that many Board Members maintained strong relationships with elected officials and that utilizing those connections would be beneficial to the agency's advocacy efforts.

Ms. Cooney asked whether email was an effective method for sharing information and advocacy requests or whether the Board preferred a different approach. She noted that she had recently sent several emails requesting Board Member assistance with advocacy efforts but had received responses from only two Board Members. Chair Whitburn stated that he had seen the email and believed it was responsive to previous Board discussion regarding advocacy and legislative engagement. He expressed appreciation for staff's efforts to encourage Board Member participation in outreach to legislators. He added that, in addition to email communications, advocacy updates and opportunities for Board Member engagement could also be communicated during Board meetings.

Vice Chair Goble expressed reluctance to create an additional committee, noting that meetings require significant staff and Board resources and should provide clear value. He stated that the issue appeared to be more about improving communication than establishing a new policy structure. Vice Chair Goble suggested providing regular legislative and advocacy updates to the Board, on a quarterly basis through the consent calendar. He stated that a formal reporting structure would help Board Members understand ongoing advocacy efforts, identify gaps, and ensure the agency was engaging with the appropriate state and federal representatives. Vice Chair Goble added that increased communication regarding advocacy activities would be more beneficial than creating an additional committee.

Board Member Dillard stated that she maintained communication with local state legislators and would be willing to assist with advocacy efforts on behalf of MTS. She explained that providing Board Members with specific information, priorities, and requests would help them effectively engage with legislators and their staff. She expressed support for improving communication and providing clearer directions to Board Members regarding advocacy efforts. Board Member Dillard also agreed with her colleagues that creating an Ad Hoc Committee would not address the concerns raised and was not necessary at this time.

Chair Whitburn stated that the feedback provided by Board Members had been valuable and noted that there was little support for creating an additional committee and stated that the Ad Hoc Advocacy Committee would not move forward. Chair Whitburn directed staff to provide legislative and advocacy updates to the Board on a regular basis, including quarterly reports and written updates from both state and federal advocacy representatives. He also suggested identifying Board Members who were interested in participating in advocacy efforts so staff could engage them when opportunities arose to communicate with elected officials.

Board Member Moreno stated that she was willing to develop a strategic engagement plan for outreach to state and federal elected officials. She offered to review advocacy approaches used by other agencies and requested information on the agency's top priorities and major projects anticipated over the next five years. Board Member Moreno stated that identifying key projects and potential funding opportunities could help focus future advocacy efforts and added that she was willing to bring forward an initial framework for discussion and refinement by the Board and staff.

Karen Landers, MTS General Counsel, stated that staff's intent in responding to previous Board feedback was to encourage Board Members to leverage their expertise and relationships with elected officials in support of MTS advocacy efforts. She acknowledged the Board's desire for increased communication from staff but noted that effective advocacy also required feedback from and engagement with Board Members. Ms. Landers emphasized the importance of creating opportunities for Board Members to provide strategic input, share insights from their relationships, and help shape advocacy priorities. She added that staff was seeking ways to facilitate two-way communication and better utilize the Board's collective expertise and connections.

Board Member Moreno stated that a strategic plan could help guide advocacy efforts by identifying priority projects and funding needs well in advance. She noted that a proactive approach would allow Board Members and legislators to focus on long term agency priorities rather than responding to requests at the last minute. Board Member Moreno offered to develop a draft strategic engagement plan for Board and staff review.

Board Member Fernandez commented on recent email communications regarding advocacy efforts and appreciated the call to action sent to Board Members. He noted that effective advocacy depends on established relationships with elected officials and stated that he did not have relationships with some of the legislators identified in the request. Board Member Fernandez emphasized that a strategic advocacy plan would help Board Members understand funding priorities, project needs, and specific requests so they could more effectively advocate on behalf of MTS. He added that clearer direction regarding the agency's objectives would assist Board Members in their outreach efforts.

Board Member Elo-Rivera supported the development of a strategic advocacy plan and emphasized the importance of Board input early in the process. He stated that a clear strategy would provide context for advocacy requests, improve Board engagement, and help Board Members leverage their relationships with elected officials to advance MTS priorities. Board Member Elo-Rivera added that involving the Board in developing the strategy would strengthen communication and make advocacy efforts more effective.

Board Member Dillard stated that having a clear strategy would help Board Members effectively engage with elected officials and advocate for MTS priorities. She noted that she had an upcoming meeting with Congresswoman Jacobs and would welcome information on MTS priorities that she could discuss during that meeting. Board Member Dillard emphasized the

importance of relationships, collaboration, and networking among Board Members and elected officials and expressed her willingness to assist colleagues by sharing connections and supporting coordinated advocacy efforts on behalf of the agency. Ms. Cooney stated that staff would provide information for the upcoming meeting with Congresswoman Jacobs. She noted that Congresswoman Jacobs had recently informed MTS that she would be advancing the agency's earmark request and added that staff would ensure Board Member Dillard had the necessary information to discuss and thank her for the support.

Chair Whitburn stated that the committee proposal would not move forward and that Board Member Moreno would instead develop ideas for a strategic advocacy plan. He added that staff would provide more regular updates from the agency's advocacy teams in Sacramento and Washington, D.C., engage interested Board Members in outreach efforts with legislative colleagues, and improve communication to keep the Board informed of ongoing advocacy activities.

### **Action Taken**

No action taken.

## **6. Downtown Layover Project (Brent Boyd, MTS and Rick Brill & Omar Atayee, SANDAG)**

Brent Boyd, MTS Director of Planning & Scheduling; Rick Brill, SANDAG; and Omar Atayee, SANDAG, presented on Downtown Layover Project. They presented on: Project needs, bus layover existing conditions, project location, bus layover site conditions, project concept study, draft concept study alternative 1, draft concept alternative 2, draft project timeline and next steps.

### **Public Comment**

There were no Public Comments.

### **Committee Comment**

Chair Whitburn thanked SANDAG and MTS for prioritizing the project and stated that it would improve operator safety and comfort, free up curb space for downtown businesses, and reduce the impact of buses occupying city streets for extended periods. He also thanked staff for their stakeholder outreach efforts and asked whether engagement had included surrounding property owners to identify any potential impacts or concerns that may not yet have been considered.

Mr. Atayee stated that outreach to surrounding property owners had not yet begun because staff was still developing the initial project concepts. He explained that staff wanted to first establish a proposed concept before conducting community outreach and added that engagement with the community and nearby stakeholders would be part of the process to gather input and identify potential impacts.

Chair Whitburn requested that staff ensure surrounding property owners were informed about the proposed project and provided opportunities to offer input. He noted that property owners were familiar with the area and could help identify potential challenges or impacts that should be considered during project development. Mr. Boyd added that MTS had already met with several nearby businesses that had previously raised concerns about buses occupying curb space. He stated that staff had discussed the upcoming project with those businesses and noted that there was already some awareness of the proposal, even though the formal outreach process had not yet begun.

Board Member Elo-Rivera asked whether staff could provide the Board with a list of stakeholders that had been engaged regarding the project. He stated that understanding who had been included in outreach efforts, including impacted employees and other potentially affected groups, would help the Board identify any gaps in engagement. Board Member Elo-Rivera added that a comprehensive stakeholder list would assist the Board in ensuring all relevant parties had an opportunity to participate in the discussion.

Board Member Moreno thanked staff for the presentation and expressed support for the project, noting the importance of providing restrooms, break facilities, and parking accommodations for bus operators. She requested that bus operators be included as a stakeholder group and that their input be considered as the project moved forward. Board Member Moreno also asked whether the facility would include bus charging infrastructure and thanked staff for providing a project timeline. She concluded by requesting additional information regarding the projects funding sources and financing plan.

Mr. Atayee stated that the facility would not include bus charging infrastructure. He explained that the project was currently funded, with anticipated construction costs estimated at approximately \$5M to \$6M. Mr. Atayee noted that Federal Transit Administration (FTA) funding and budgeted projected funds were available to support the effort. He added that additional funding may be identified in the future, some of which was programmed for right-of-way acquisition and potential property acquisition in the area.

Board Member Moreno sought clarification regarding the project funding and noted that the presentation referenced a total project cost of approximately \$66.98M. She asked whether the previously mentioned \$5M to \$6M estimate applied only to the interim construction phase of the project. Mr. Atayee clarified that the \$66.98M figure reflected the larger, long term effort involving acquisition of the entire block and potential future redevelopment. He explained that because that effort was taking longer than anticipated, staff had shifted their focus to an interim project with construction costs estimated at approximately \$5M to \$6M. Mr. Atayee stated the interim project would address MTS operational needs in a cost effective manner while preserving the opportunity to pursue additional development options in the future.

Mr. Boyd explained that the full project was expected to accommodate approximately 16 to 18 buses, while the interim project would accommodate approximately 8 to 10 buses. He noted that the interim facility would not fully meet the agency's long term operational needs but would provide a near term solution while staff continued to evaluate future development opportunities for the site.

Board Member Moreno stated that the Board would benefit from receiving a breakdown of the project's funding sources. She noted that FTA funding had been mentioned and stated that she was not aware if any CIP or earmarked funds were also being used to support the project. Board Member Moreno requested follow-up information regarding the funding structure and remarked that, based on the discussion, it appeared the project had secured the funding needed to proceed.

Vice Chair Goble asked staff for an update on the long-term vision for the parcel and any future development plans being considered for the site. Mr. Atayee explained that the long-term vision for the parcel was currently being evaluated through an ongoing planning study. He stated that the study was examining various development scenarios, including the potential scale, height, and mix of uses, as well as financial feasibility and market conditions. Mr. Atayee noted that the effort was being led by a separate project team and funded through a different funding source. He added that the study was expected to be completed within approximately six months, after



which the findings would be shared and discussed with MTS and the Board. Vice Chair Goble stated that one of his goals for downtown was to encourage fewer surface parking lots and increased housing opportunities. He expressed appreciation for the long-term planning effort and acknowledged that any future redevelopment would also need to account for the operational needs of bus operators and transit vehicles. Vice Chair Goble stated that he looked forward to future discussions regarding the site and requested that staff continue providing updates on outreach efforts with bus operators, surrounding property owners, and other affected stakeholders.

#### **Action Taken**

No action taken. Informational item only.

#### **7. 12th and Imperial Transit Center Rehabilitation Project Update (Heather Furey)**

Heather Furey, MTS Senior Director of Capital Projects, presented on 12th and Imperial Transit Center Rehabilitation Project Update. She presented on: 12 & Imperial Transit Center area, National Avenue property, 12 & Imperial Transit Center current configuration and existing conditions, project need/concept, project timeline, expanded transit center design bringing concept reality and key diligence topics – utility relocation and storm culvert, transit center project status, project cost and project schedule next steps.

#### **Public Comment**

There were no Public Comments.

#### **Committee Comment**

Board Member Elo-Rivera thanked staff for the presentation and update and noted that rehabilitation of the transit center was badly needed. He asked whether staff had considered using the project as an opportunity to convert the station into a closed facility, limiting access to riders only while still maintaining transit operations.

Ms. Furey stated that staff was currently evaluating access control and rider only facility concepts as part of a broader systemwide study. She explained that the transit center would be reviewed within that larger effort. Ms. Furey added that when the rehabilitation project began approximately four years earlier, limiting station access was not a primary project requirement.

Ms. Landers added that access control measures would be needed to account for differences between Trolley and bus operations. She explained that Trolley riders are required to pay their fare before entering the platform area, while bus riders pay when boarding the bus. Ms. Landers noted that any gating or rider only access analysis would need to consider those operational differences and could require changes to existing fare enforcement practices. She further explained that while security personnel work to discourage loitering at transit centers, passengers are permitted to wait for their bus without having paid a fare in advance.

Board Member Elo-Rivera stated that he had raised the concept several years earlier as part of discussion about fare compliance, revenue and station access. He noted that given the station's significant ridership he was interested in whether access control options had been evaluated and acknowledged that there could be ways to maintain bus access even if parts of the station were restricted.

Board Member Elo-Rivera then asked whether the project design had considered opportunities to generate non-fare revenue, including potential partnerships related to ongoing discussions with San Diego Community Power and other revenue generating initiatives.

Ms. Cooney explained that the site was a joint development opportunity to include housing. Board Member Elo-Rivera asked whether housing development was the only non-fare revenue opportunity being considered for the site. He inquired whether potential energy savings or other revenue generating opportunities had been evaluated as part of the project's design and planning process.

Ms. Landers explained that staff had not specifically evaluated energy savings or similar non-fare revenue opportunities as part of the project design. She stated that existing non-fare revenue at transit facilities was typically generated through advertising, retail kiosks, and related partnerships. Ms. Landers noted that the project was designed to maximize bus bays, passenger circulation, and the potential development parcel rather than retail space. She added that staff was exploring joint development opportunities, including potential ground floor uses, and anticipated additional non-fare revenue through advertising features such as digital kiosks and advertising displays, including a planned digital kiosk expected to generate revenue for the agency.

Ms. Cooney added that at the Palm Avenue station joint development project, the housing development was considering incorporating solar panels throughout the building's exterior to maximize electricity generation. She stated that similar opportunities could be explored for this site as the project advances into later design phases and a development partner is identified. Board Member Elo-Rivera emphasized the importance of incorporating the Board's broader priorities into project planning from the outset rather than after decisions had already been made. He stated that goals such as generating non-fare revenue, supporting housing development, and improving passenger amenities should be considered throughout the design process. Board Member Elo-Rivera expressed support for the project and its progress, noting the significance of the transit center given its high ridership and proximity to downtown destinations and new development. He encouraged staff to maximize the project's long term value and ensure it reached its full potential so that future stakeholders would view it as both an improvement and a comprehensive solution.

Board Member Moreno thanked staff for the presentation and congratulated the project team on securing Transformative Climate Communities (TCC) funding. She noted that projects in her district had also benefited from TCC funding and expressed appreciation for the efforts to obtain those resources. Board Member Moreno then asked for clarification regarding the white area shown in the project rendering and whether it represented a future housing component. Ms. Furey explained that the white area was intended to be a future development parcel. She stated that the project team had worked to maximize the size of the parcel to create opportunities for housing and other revenue generating uses as part of the site's long term development.

Ms. Landers explained that the development parcel referenced in the design was the same site for which the Board approved a Disposition and Development Agreement (DDA) with the San Diego Foundation and Cypress Equities in October.

Board Member Moreno thanked staff for the clarification and emphasized that, in downtown and central San Diego, future development considerations should extend beyond land use alone. She stated that the location and design of future development should be carefully considered and asked whether the area currently designated for bus operations would need to remain open air as part of the long term plan. Board Member Moreno further asked whether there were any

legal requirements mandating that the bus operations area remain open air, noting that, as discussed by Board Member Elo-Rivera, future development opportunities could potentially include building above the site.

Ms. Cooney explained that, during the planning process, the San Diego Foundation worked with MTS to evaluate a variety of development concepts, including whether the site could support a platform structure with development above it. She stated that there was no requirement for the bus operations area to remain open air. Ms. Cooney noted that a national market assessment and analysis conducted with consultant support identified the current concept as the most viable option. She added that the proposed design would not preclude future expansion or additional development opportunities above the site. Board Member Moreno thanked staff for the explanation and remarked that the project appeared to function primarily as a bus facility despite being referred to as a transit center. She asked for clarification regarding the overall scope of work for the project, noting that while the adjacent rail component was important, the proposed improvements appeared to be focused on bus operations.

Board Member Moreno then asked whether the project would include amenities for employees, such as restrooms and operator break rooms. Ms. Furey clarified that the project was primarily focused on bus operations but would also include facilities for Transportation Network Companies (TNC's), passenger pick-up and drop-off activities, taxi stands, bike parking, and a bicycle repair station. She explained that employee restrooms were currently located at 12<sup>th</sup> & Imperial within the Mills building and stated that those restroom and breakroom functions were not being replicated as part of this project. Board Member Moreno asked whether bus operators using the facility would be able to leave their buses and access the Mills building at the transit station for amenities such as restrooms, break areas, and food options, or whether the facility was intended solely as a location for buses to stop and depart. Ms. Furey stated that she was not familiar with the specific bus scheduling and layover times but confirmed that those facilities were located nearby and available at the transit center.

Ms. Landers explained that buses currently using layover space on 14<sup>th</sup> Street provide operators with an opportunity to take a break during their routes. She noted that some operators already use their layover time to access nearby facilities, and the proposed project would allow those buses to park closer to the Mills building. Ms. Landers added that operators assigned to those routes would continue to have access to the existing restroom and break facilities at the transit center during layovers.

Board Member Moreno asked for clarification regarding funding identified for future fiscal years and referenced a previously mentioned \$10M funding need in FY 2028 and 2029. She asked whether those funds were part of existing CIP allocations or another funding category, noting that staff had used a different term during the presentation and seeking clarification on the source of the anticipated funding. Ms. Cooney explained that when MTS was awarded the grant, construction and permitting costs were expected to be lower than current estimates. She stated that updated cost projections indicated additional funding would be needed and that those costs would need to be incorporated into future CIP budgets. Ms. Cooney noted that potential funding sources could include existing transportation and federal funding programs. She further explained that the project was not currently federally funded but could potentially be federalized in the future, which would require compliance with additional federal requirements and processes. Board Member Moreno asked if National Environmental Policy Act (NEPA) would be required. Ms. Furey explained that federal projects are subject to additional requirements beyond those required under state regulations. She noted that federal environmental review requirements, including NEPA, may apply, although staff would need to

confirm whether the project had already received the necessary federal environmental clearance. Ms. Furey stated that the primary difference involved federal procurement and contracting requirements, which add additional regulations and documentation for design and construction contracts. She added that while the design contract was not originally federalized, staff believed the construction phase could potentially be federalized if federal funding were pursued.

Board Member Moreno asked whether the project had been earmarked within the CIP and sought clarification on whether funding for the project had already been identified or would need to be programmed in future capital budgets. Ms. Furey clarified that the final \$9.6M funding gap had not yet been identified within the CIP. She explained that the project's current \$14.4M budget consisted entirely of grant funding that had already been secured. Ms. Furey stated that staff now estimated the total project cost at approximately \$24M, leaving a funding shortfall of \$9.6M. She added that staff would seek to secure the remaining funding through the annual CIP budgeting process over the next several years. Board Member Moreno expressed hope that the remaining project funding gap could be addressed through future state and federal funding opportunities rather than solely through the CIP. She referenced the earlier discussion regarding advocacy efforts and encouraged pursuit of additional external funding. Board Member Moreno thanked staff for their work on the project, stated that the improvements were greatly needed, and expressed support for including the project amount in the agency's advocacy priorities moving forward.

Chair Whitburn thanked staff for the update and expressed support for the project. He stated he looked forward to assisting with advocacy efforts to help advance the project and noted that it aligned with the Board's broader goals of replacing underutilized parking lots with housing, particularly housing located near transit. Chair Whitburn acknowledged the complexity of the project and thanked staff for their work, stating that the project would provide significant benefits to both MTS and the downtown area.

#### **Action Taken**

No action taken. Informational item only.

#### **OTHER ITEMS:**

#### **8. Review of Draft July 30, 2026 Board Agenda**

Ms. Cooney stated that the LIFE program item had not been placed on the full Board agenda. She advised that, if the Committee wished, staff could bring the item forward to the full Board, otherwise, staff planned to provide an update on the program in September. Chair Whitburn confirmed that the update can be brought to the September Board meeting.

Vice Chair Goble noted that the upcoming Board meeting agenda appeared unusually light and remarked that, for the first time in three years, the Chair would not be attending a Board meeting.

Ms. Cooney noted that, based on preliminary attendance indications, the upcoming Board meeting could have difficulty achieving a quorum. She asked Board Members to notify staff as soon as possible if they expected to be absent so appropriate planning could occur.

Chair Whitburn thanked Vice Chair Goble in advance for serving as the Chair during the upcoming Board meeting and expressed appreciation for his willingness to lead the meeting in his absence.

**9. Other Staff and Committee Member Communications and Business**

Chair Whitburn provided an update on MTS's participation in San Diego Pride and Comic-Con events. He stated that MTS would once again support San Diego Pride by encouraging attendees to use transit to reduce congestion and parking demand and noted that MTS employees and a bus would participate in the Pride Parade. Chair Whitburn added that the agency's involvement reflected its commitment to inclusion, respect, and service to the community. He also reported that MTS was preparing for Comic-Con by expanding Trolley service, including operation of a service event line between the Balboa Avenue Transit Center and 12<sup>th</sup> & Imperial Transit Center. Chair Whitburn highlighted several Comic-Con activations, including wrapped Trolleys, a Disney sponsored activation at the Gaslamp Quarter Station, commemorative Comic-Con pins, and a sponsorship of the special event line by Magic: the Gathering. He stated that these partnerships were expected to generate additional non-fare revenue for the agency while enhancing the attendee experience. Chair Whitburn concluded by inviting Board Members to attend the Comic-Con transit service press conference scheduled for July 21 at the Gaslamp Quarter Station, where MTS would highlight its service enhancements, community partnerships, and role in supporting event.

**10. Next Meeting Date**

The next Executive Committee meeting is scheduled for September 10, 2026, at 9:00 a.m.

\*Clerk's note: The Executive Committee was subsequently rescheduled to September 3, 2026 at 9:00 a.m.

CLOSED SESSION:

**11. Public Comment for Closed Session**

There were no Public Comments.

**Closed Session Convened**

The Committee convened to Closed Session at 11:10 a.m.

**12. Closed Session - Public Employee Performance Evaluation/ Conference With Labor Negotiators – Chief Executive Officer Pursuant to California Government Code Sections 54957 and 54957.6;**

Agency-Designated Representative: Stephen Whitburn, Chair  
Employee: Sharon Cooney, CEO

**Closed Session Reconvening**

The Committee reconvened to Open Session at 12:28 p.m.

Karen Landers, General Counsel, reported the following oral report of final actions taken in Closed Session:

The Executive Committee continued this item to a date in September 2026.

**13. Adjournment**

The meeting was adjourned at 12:29 p.m.

Executive Committee

July 16, 2026

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/s/ Stephen Whitburn

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Chairperson

San Diego Metropolitan Transit System

/s/ Lucia Mansour

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Clerk of the Board

San Diego Metropolitan Transit System

Attachment: A. Roll Call Sheet

SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
EXECUTIVE COMMITTEE

ROLL CALL

MEETING OF (DATE): July 16, 2026 CALL TO ORDER (TIME): 9:05 a.m.  
 RECESS: \_\_\_\_\_ RECONVENE: \_\_\_\_\_  
 CLOSED SESSION: 11:10 a.m. RECONVENE: 12:28 p.m.  
 PUBLIC HEARING: \_\_\_\_\_ RECONVENE: \_\_\_\_\_  
 ORDINANCES ADOPTED: \_\_\_\_\_ ADJOURN: 12:29 p.m.

| REPRESENTING                          | BOARD MEMBER         |                                     | ALTERNATE    |                          | PRESENT<br>(TIME<br>ARRIVED) | ABSENT<br>(TIME LEFT) |
|---------------------------------------|----------------------|-------------------------------------|--------------|--------------------------|------------------------------|-----------------------|
| Chair                                 | Whitburn             | <input checked="" type="checkbox"/> | No Alternate | <input type="checkbox"/> | 9:05 a.m.                    | 12:02 p.m.            |
| City of San Diego                     | Elo-Rivera           | <input checked="" type="checkbox"/> | Whitburn     | <input type="checkbox"/> | 9:05 a.m.                    | 12:02 p.m.            |
| County of San<br>Diego                | Montgomery<br>Steppe | <input type="checkbox"/>            | Aguirre      | <input type="checkbox"/> | ABSENT                       | ABSENT                |
| East County                           | Dillard              | <input checked="" type="checkbox"/> | Hall         | <input type="checkbox"/> | 9:05 a.m.                    | 12:02 p.m.            |
| SANDAG<br>Transportation<br>Committee | Moreno               | <input checked="" type="checkbox"/> | Fernandez    | <input type="checkbox"/> | 9:05 a.m.                    | 12:02 p.m.            |
| South Bay                             | Fernandez            | <input checked="" type="checkbox"/> | Downey       | <input type="checkbox"/> | 9:05 a.m.                    | 12:02 p.m.            |
| Vice Chair                            | Goble                | <input checked="" type="checkbox"/> | No Alternate | <input type="checkbox"/> | 9:05 a.m.                    | 12:02 p.m.            |

SIGNED BY THE CLERK OF THE BOARD: /s/ Lucia Mansour





## Agenda Item No. 04

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
JOINT EXECUTIVE COMMITTEE AND BUDGET DEVELOPMENT COMMITTEE<sup>1</sup>

September 3, 2026

**SUBJECT:**

Fiscal Year (FY) 2027 Operating Budget Amendment (Mike Thompson and Mark Olson)

**RECOMMENDATION:**

That the San Diego Metropolitan Transit System (MTS) Joint Executive Committee and Budget Development Committee forward a recommendation to the MTS Board of Directors to enact Resolution No. 26-18 (Attachment A) amending the FY 2027 operating budget for MTS, San Diego Transit Corporation (SDTC), San Diego Trolley, Inc. (SDTI), MTS Contract Services, and the Coronado Ferry.

**Budget Impact**

The action will amend the FY 2027 operating budget. The amended budget adds an estimated \$3.7 million in additional fare revenue based on forecasts of the additional revenue that will be collected as a result of the increases in the regional transit fares that take effect on October 1, 2026. This estimate reflects concurrent implementation of the PRONTO LIFE program approved by the Board on June 11, 2026 (AI 3). This results in a \$3.7 million reduction of SB-125 funding needed to balance the budget for FY 2027.

**DISCUSSION:**

The FY 2027 operating budget was approved on June 18, 2026 (AI 20). At that meeting, the MTS Board directed staff to bring a proposed budget amendment to the Board's September 2026 meeting if the San Diego Association of Governments (SANDAG) approved amendments to the San Diego region's Comprehensive Fare Ordinance (the "Fare Change").

**Fare Change Approved By SANDAG**

The SANDAG Transportation Committee approved the Fare Change on July 17, 2026, and the SANDAG Board of Directors ratified that action on July 24, 2026. The Fare Change action includes increases in one way, day pass, and monthly pass rates effective October 1, 2026. (See Attachment B.) As directed by the MTS Board, staff have estimated the impacts of the Fare Change and incorporated those impacts in a proposed amended FY 2027 operating budget for MTS, SDTC, SDTI, MTS Contract Services, and the Coronado Ferry.

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<sup>1</sup> On January 15, 2026 (Agenda Item (AI) 11), the Board appointed the membership of the Executive Committee as the "Joint Executive Committee and Budget Development Committee".



Under the approved Fare Change, transit fares would increase in two phases. In Phase 1, effective October 1, 2026, the regional monthly pass rate will increase from \$72 to \$85. In Phase 2, effective October 1, 2027, that monthly pass price would increase from \$85 to \$95. Increases to the one-way and day pass rates were also approved.

Using FY 2025 ridership and fare data, SANDAG estimated that MTS would generate approximately \$9 million in additional fare revenue in Phase 1 and an additional \$14 million per year upon implementation of the Phase 2 increase. SANDAG also estimated that MTS would lose approximately 1.8 million passenger trips in Phase 1 due to the fare increases.

As part of the Board's June 11, 2026 special meeting to discuss MTS's FY 2027 operating budget, the Board took action to create a Fare Freeze Program for Low-Income Riders (PRONTO Low-Income Fare Eligible (LIFE)) by directing MTS staff to:

*Develop and implement a Fare Freeze Program that maintains current fare levels for riders who demonstrate active enrollment in any of the following public assistance programs: CalFresh, Medi-Cal, and CalWorks. This program shall apply to individuals who are not already covered under existing MTS discount or reduced fare programs.*

Staff reviewed available CalFresh, Medi-Cal, and CalWorks Programs' data and how those programs intersect with MTS ridership and created estimates of the number of potential participants in the PRONTO LIFE Program and the estimated revenue impact of this new fare discount category. The current analysis of the PRONTO LIFE Program indicates approximately 34,000 individual transit pass holders in San Diego County may qualify for the program.

Staff have used these estimates to reforecast passenger revenues for the affected nine-month period of FY 2027 (October 2026 through June 2027). With the addition of PRONTO LIFE, staff have reduced the expected loss of passenger trips from the original SANDAG estimates. Instead of an annualized 1.8 million passenger trips reduction, staff forecasts annualized passenger trips would only reduce by approximately 0.9 million, and the fiscal year 2027 impact would result in a decrease of 0.7 million passenger trips (nine-month impact). That assumption, coupled with the estimated fare increases for the remaining MTS ridership, results in an increase in passenger revenue of \$3.7 million (4.5%) from the approved FY 2027 budget of \$83.0 million to the proposed amended FY 2027 budget of \$86.7 million.<sup>2</sup>

Staff have not proposed any other adjustments to the FY 2027 operating budget with this amendment. Staff will monitor the actual results of the new fares and again amend the operating budget revenue and expense assumptions during the normal midyear amendment that will be brought to the Board in March 2027.

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<sup>2</sup> On July 16, 2026 (AI 4), staff presented a preliminary estimate of the revenue impact of the combined Fare Change and PRONTO LIFE Program, estimating FY 2027 revenues as being increased by \$2.8 million instead of SANDAG's original estimate of \$6.8 million. After staff revised the estimated passenger trip reduction impact, the FY 2027 revenue impact has been revised to \$3.7 million. Similarly, the initial analysis concluded that the PRONTO LIFE Program would reduce SANDAG's annual revenue impact by approximately \$5.3 million in Phase 1 (\$9 million - \$5.3 million = \$3.7 million revised revenue estimate for October 2026 through September 2027) and by approximately \$9.4 million per year upon implementation of the Phase 2 fares (\$14 million - \$9.4 million = \$4.6 million revised revenue estimate for each 12-month period beginning October 1, 2027). After staff revised the estimated passenger trip reduction impact, the overall revenue estimate for Phase 1 is now \$4.6 million and for each 12-month period in Phase 2 is now \$5.5 million.

Therefore, staff recommends that the MTS Joint Executive Committee and Budget Development Committee forward a recommendation to the MTS Board of Directors to enact Resolution No. 26-18 (Attachment A) amending the FY 2027 operating budget for MTS, SDTC, SDTI, MTS Contract Services, and the Coronado Ferry.

### **Transit Revenue and Asset Development Strategy**

At the budget workshop on June 11, 2026 (AI 3), the Board also took the following action:

*Direct MTS staff to prepare and present a detailed Non-Fare Revenue Report at the time of the mid-year budget adjustment. This report shall include: a comprehensive status update on current non-fare revenue streams; outlining ongoing progress metrics on non-fare revenue targets and timelines; a forward-looking strategy outlining initiatives MTS is actively exploring or pursuing to grow non-fare revenue, reduce fare revenue dependency, and improve the long-term financial sustainability of the system.*

In response to this directive, staff will report on current non-fare revenue efforts and also introduce a Transit Revenue and Asset Development Strategy that will guide new and existing efforts and priorities. (See Attachment C).

/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. Resolution 26-18 with FY 2027 Amended Budget  
B. Fare Changes  
C. Transit Revenue and Asset Development Strategy

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Resolution No. 26-18

Resolution Approving Amendments to FY 2027 Budget

WHEREAS, the San Diego Metropolitan Transit System (MTS) Board of Directors adopted Resolution No. 26-08 on June 18, 2026, approving the fiscal year (FY) 2027 budgets for MTS, San Diego Transit Corporation, San Diego Trolley, Inc., MTS Contract Services, and Coronado Ferry (the "FY 2027 Budget"); and

WHEREAS, based on new information and additional evaluation of passenger fare revenues with the approved amendments to the San Diego region's Comprehensive Fare Ordinance, the MTS Board of Directors seeks to amend the FY 2027 Budget for MTS, SDTC, SDTI, MTS Contract Services, and the Coronado Ferry.

NOW THEREFORE, BE IT RESOLVED, by the MTS Board of Directors as follows:

1. That the FY 2027 Amended Operating Budget (Exhibit 1) is approved.

PASSED AND ADOPTED, by the Board of Directors this 17 day of September 2026 by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

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Chairperson  
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

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Clerk of the Board  
San Diego Metropolitan Transit System

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General Counsel  
San Diego Metropolitan Transit System

Exhibit 1 – FY 2026 Amended Budget



# **Fiscal Year 2027 Amended Budget**

**Metropolitan Transit System**



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**SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
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**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATING BUDGET SUMMARY**  
**FISCAL YEAR 2027**  
**SECTION 2.01**

|                                           | <b>ACTUAL<br/>FY25</b> | <b>ORIGINAL<br/>BUDGET<br/>FY27</b> | <b>AMENDED<br/>BUDGET<br/>FY27</b> | <b>\$ CHANGE<br/>BUDGET/<br/>AMENDED</b> | <b>% CHANGE<br/>BUDGET/<br/>AMENDED</b> |
|-------------------------------------------|------------------------|-------------------------------------|------------------------------------|------------------------------------------|-----------------------------------------|
| <b>OPERATING REVENUE</b>                  |                        |                                     |                                    |                                          |                                         |
| PASSENGER REVENUE                         | 77,896,658             | 83,014,390                          | 86,712,392                         | 3,698,002                                | 4.5%                                    |
| OTHER OPERATING REVENUE                   | 36,176,729             | 33,489,800                          | 33,489,800                         | -                                        | 0.0%                                    |
| <b>TOTAL OPERATING REVENUES</b>           | <b>114,073,387</b>     | <b>116,504,190</b>                  | <b>120,202,192</b>                 | <b>3,698,002</b>                         | <b>3.2%</b>                             |
| <b>NON OPERATING REVENUE</b>              |                        |                                     |                                    |                                          |                                         |
| TOTAL SUBSIDY REVENUE                     | 309,605,221            | 366,077,963                         | 362,379,961                        | (3,698,002)                              | -1.0%                                   |
| OTHER NON OPERATING REVENUE               |                        |                                     |                                    |                                          |                                         |
| RESERVE REVENUE                           | 19,359,078             | (82,598)                            | (82,598)                           | -                                        | 0.0%                                    |
| OTHER INCOME                              | -                      | -                                   | -                                  | -                                        | -                                       |
| TOTAL OTHER NON OPERATING REVENUE         | 19,359,078             | (82,598)                            | (82,598)                           | -                                        | 0.0%                                    |
| <b>TOTAL NON OPERATING REVENUE</b>        | <b>328,964,299</b>     | <b>365,995,365</b>                  | <b>362,297,364</b>                 | <b>(3,698,002)</b>                       | <b>-1.0%</b>                            |
| <b>TOTAL COMBINED REVENUES</b>            | <b>443,037,686</b>     | <b>482,499,555</b>                  | <b>482,499,556</b>                 | <b>-</b>                                 | <b>0.0%</b>                             |
| <b>OPERATING EXPENSES</b>                 |                        |                                     |                                    |                                          |                                         |
| LABOR EXPENSES                            | 115,656,871            | 126,789,555                         | 126,789,555                        | -                                        | 0.0%                                    |
| FRINGE EXPENSES                           | 78,958,853             | 80,951,626                          | 80,951,626                         | -                                        | 0.0%                                    |
| <b>TOTAL PERSONNEL EXPENSES</b>           | <b>194,615,723</b>     | <b>207,741,181</b>                  | <b>207,741,181</b>                 | <b>-</b>                                 | <b>0.0%</b>                             |
| SECURITY EXPENSES                         | 14,142,830             | 16,311,495                          | 16,311,495                         | -                                        | 0.0%                                    |
| REPAIR/MAINTENANCE SERVICES               | 11,152,828             | 12,645,191                          | 12,645,191                         | -                                        | 0.0%                                    |
| ENGINE AND TRANSMISSION REBUILD           | 1,328,910              | 1,714,000                           | 1,714,000                          | -                                        | 0.0%                                    |
| OTHER OUTSIDE SERVICES                    | 25,432,291             | 29,045,915                          | 29,045,915                         | -                                        | 0.0%                                    |
| PURCHASED TRANSPORTATION                  | 109,099,796            | 114,927,329                         | 114,927,329                        | -                                        | 0.0%                                    |
| <b>TOTAL OUTSIDE SERVICES</b>             | <b>161,156,655</b>     | <b>174,643,930</b>                  | <b>174,643,930</b>                 | <b>-</b>                                 | <b>0.0%</b>                             |
| LUBRICANTS                                | 490,290                | 527,000                             | 527,000                            | -                                        | 0.0%                                    |
| TIRES                                     | 1,351,794              | 1,627,300                           | 1,627,300                          | -                                        | 0.0%                                    |
| OTHER MATERIALS AND SUPPLIES              | 16,476,172             | 19,785,569                          | 19,785,569                         | -                                        | 0.0%                                    |
| <b>TOTAL MATERIALS AND SUPPLIES</b>       | <b>18,318,256</b>      | <b>21,939,869</b>                   | <b>21,939,869</b>                  | <b>-</b>                                 | <b>0.0%</b>                             |
| GAS/DIESEL/PROPANE                        | 2,862,634              | 3,793,261                           | 3,793,261                          | -                                        | 0.0%                                    |
| CNG                                       | 12,804,983             | 13,384,413                          | 13,384,413                         | -                                        | 0.0%                                    |
| TRACTION POWER                            | 23,784,125             | 28,615,015                          | 28,615,015                         | -                                        | 0.0%                                    |
| UTILITIES                                 | 6,238,841              | 6,820,244                           | 6,820,244                          | -                                        | 0.0%                                    |
| <b>TOTAL ENERGY</b>                       | <b>45,690,583</b>      | <b>52,612,933</b>                   | <b>52,612,933</b>                  | <b>-</b>                                 | <b>0.0%</b>                             |
| <b>RISK MANAGEMENT</b>                    | <b>10,840,927</b>      | <b>15,729,391</b>                   | <b>15,729,391</b>                  | <b>-</b>                                 | <b>0.0%</b>                             |
| <b>GENERAL AND ADMINISTRATIVE</b>         | <b>6,898,324</b>       | <b>7,386,548</b>                    | <b>7,386,548</b>                   | <b>-</b>                                 | <b>0.0%</b>                             |
| <b>DEBT SERVICE</b>                       | <b>-</b>               | <b>-</b>                            | <b>-</b>                           | <b>-</b>                                 | <b>-</b>                                |
| <b>VEHICLE / FACILITY LEASE</b>           | <b>2,196,944</b>       | <b>2,445,703</b>                    | <b>2,445,703</b>                   | <b>-</b>                                 | <b>0.0%</b>                             |
| <b>TOTAL OPERATING EXPENSES</b>           | <b>439,717,412</b>     | <b>482,499,555</b>                  | <b>482,499,555</b>                 | <b>-</b>                                 | <b>0.0%</b>                             |
| <b>NET OPERATING SUBSIDY</b>              | <b>(325,644,025)</b>   | <b>(365,995,365)</b>                | <b>(362,297,363)</b>               | <b>(3,698,002)</b>                       | <b>-1.0%</b>                            |
| <b>OVERHEAD ALLOCATION</b>                | <b>-</b>               | <b>-</b>                            | <b>-</b>                           | <b>-</b>                                 | <b>0.0%</b>                             |
| <b>ADJUSTED NET OPERATING SUBSIDY</b>     | <b>(325,644,025)</b>   | <b>(365,995,365)</b>                | <b>(362,297,363)</b>               | <b>(3,698,002)</b>                       | <b>-1.0%</b>                            |
| <b>TOTAL REVENUES LESS TOTAL EXPENSES</b> | <b>3,320,274</b>       | <b>-</b>                            | <b>1</b>                           | <b>(1)</b>                               | <b>0.0%</b>                             |

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
OPERATIONS BUDGET  
FISCAL YEAR 2027  
SECTION 2.02**

|                                           | ACTUAL<br>FY25       | ORIGINAL<br>BUDGET<br>FY27 | AMENDED<br>BUDGET<br>FY27 | \$ CHANGE<br>BUDGET/<br>AMENDED | % CHANGE<br>BUDGET/<br>AMENDED |
|-------------------------------------------|----------------------|----------------------------|---------------------------|---------------------------------|--------------------------------|
| <b>OPERATING REVENUE</b>                  |                      |                            |                           |                                 |                                |
| PASSENGER REVENUE                         | 77,896,658           | 83,014,390                 | 86,712,392                | 3,698,002                       | 4.5%                           |
| OTHER OPERATING REVENUE                   | 1,197,969            | 1,074,720                  | 1,074,720                 | -                               | 0.0%                           |
| <b>TOTAL OPERATING REVENUES</b>           | <b>79,094,627</b>    | <b>84,089,110</b>          | <b>87,787,112</b>         | <b>3,698,002</b>                | <b>4.4%</b>                    |
| <b>NON OPERATING REVENUE</b>              |                      |                            |                           |                                 |                                |
| TOTAL SUBSIDY REVENUE                     | 302,214,724          | 361,453,818                | 357,755,816               | (3,698,002)                     | -1.0%                          |
| OTHER NON OPERATING REVENUE               |                      |                            |                           |                                 |                                |
| RESERVE REVENUE                           | 19,540,356           | -                          | -                         | -                               | -                              |
| OTHER INCOME                              | -                    | -                          | -                         | -                               | -                              |
| TOTAL OTHER NON OPERATING REVENUE         | 19,540,356           | -                          | -                         | -                               | -                              |
| <b>TOTAL NON OPERATING REVENUE</b>        | <b>321,755,081</b>   | <b>361,453,818</b>         | <b>357,755,816</b>        | <b>(3,698,002)</b>              | <b>-1.0%</b>                   |
| <b>TOTAL COMBINED REVENUES</b>            | <b>400,849,708</b>   | <b>445,542,928</b>         | <b>445,542,928</b>        | <b>-</b>                        | <b>0.0%</b>                    |
| <b>OPERATING EXPENSES</b>                 |                      |                            |                           |                                 |                                |
| LABOR EXPENSES                            | 92,009,119           | 100,066,019                | 100,066,019               | -                               | 0.0%                           |
| FRINGE EXPENSES                           | 68,200,223           | 68,816,853                 | 68,816,853                | -                               | 0.0%                           |
| <b>TOTAL PERSONNEL EXPENSES</b>           | <b>160,209,341</b>   | <b>168,882,872</b>         | <b>168,882,872</b>        | <b>-</b>                        | <b>0.0%</b>                    |
| SECURITY EXPENSES                         | 1,247,599            | 1,419,319                  | 1,419,319                 | -                               | 0.0%                           |
| REPAIR/MAINTENANCE SERVICES               | 10,797,644           | 12,402,291                 | 12,402,291                | -                               | 0.0%                           |
| ENGINE AND TRANSMISSION REBUILD           | 1,328,910            | 1,714,000                  | 1,714,000                 | -                               | 0.0%                           |
| OTHER OUTSIDE SERVICES                    | 9,703,339            | 8,495,938                  | 8,495,938                 | -                               | 0.0%                           |
| PURCHASED TRANSPORTATION                  | 109,099,796          | 114,927,329                | 114,927,329               | -                               | 0.0%                           |
| <b>TOTAL OUTSIDE SERVICES</b>             | <b>132,177,287</b>   | <b>138,958,877</b>         | <b>138,958,877</b>        | <b>-</b>                        | <b>0.0%</b>                    |
| LUBRICANTS                                | 490,290              | 527,000                    | 527,000                   | -                               | 0.0%                           |
| TIRES                                     | 1,351,794            | 1,627,300                  | 1,627,300                 | -                               | 0.0%                           |
| OTHER MATERIALS AND SUPPLIES              | 16,290,390           | 19,265,710                 | 19,265,710                | -                               | 0.0%                           |
| <b>TOTAL MATERIALS AND SUPPLIES</b>       | <b>18,132,474</b>    | <b>21,420,010</b>          | <b>21,420,010</b>         | <b>-</b>                        | <b>0.0%</b>                    |
| GAS/DIESEL/PROPANE                        | 2,626,509            | 3,520,661                  | 3,520,661                 | -                               | 0.0%                           |
| CNG                                       | 12,804,983           | 13,384,413                 | 13,384,413                | -                               | 0.0%                           |
| TRACTION POWER                            | 23,784,125           | 28,615,015                 | 28,615,015                | -                               | 0.0%                           |
| UTILITIES                                 | 5,184,603            | 5,806,999                  | 5,806,999                 | -                               | 0.0%                           |
| <b>TOTAL ENERGY</b>                       | <b>44,400,221</b>    | <b>51,327,088</b>          | <b>51,327,088</b>         | <b>-</b>                        | <b>0.0%</b>                    |
| <b>RISK MANAGEMENT</b>                    | <b>9,900,789</b>     | <b>14,474,531</b>          | <b>14,474,531</b>         | <b>-</b>                        | <b>0.0%</b>                    |
| <b>GENERAL AND ADMINISTRATIVE</b>         | <b>1,103,989</b>     | <b>1,140,611</b>           | <b>1,140,611</b>          | <b>-</b>                        | <b>0.0%</b>                    |
| <b>DEBT SERVICE</b>                       | <b>-</b>             | <b>-</b>                   | <b>-</b>                  | <b>-</b>                        | <b>-</b>                       |
| <b>VEHICLE / FACILITY LEASE</b>           | <b>1,713,877</b>     | <b>1,753,120</b>           | <b>1,753,120</b>          | <b>-</b>                        | <b>0.0%</b>                    |
| <b>TOTAL OPERATING EXPENSES</b>           | <b>367,637,978</b>   | <b>397,957,109</b>         | <b>397,957,109</b>        | <b>-</b>                        | <b>0.0%</b>                    |
| <b>NET OPERATING SUBSIDY</b>              | <b>(288,543,351)</b> | <b>(313,867,999)</b>       | <b>(310,169,997)</b>      | <b>(3,698,002)</b>              | <b>-1.2%</b>                   |
| OVERHEAD ALLOCATION                       | (33,211,729)         | (47,585,819)               | (47,585,818)              | -                               | 0.0%                           |
| <b>ADJUSTED NET OPERATING SUBSIDY</b>     | <b>(321,755,080)</b> | <b>(361,453,817)</b>       | <b>(357,755,815)</b>      | <b>(3,698,003)</b>              | <b>-1.0%</b>                   |
| <b>TOTAL REVENUES LESS TOTAL EXPENSES</b> | <b>-</b>             | <b>1</b>                   | <b>1</b>                  | <b>-</b>                        | <b>0.0%</b>                    |

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
ADMINISTRATIVE BUDGET  
FISCAL YEAR 2027  
SECTION 2.03**

|                                           | ACTUAL<br>FY25      | ORIGINAL<br>BUDGET<br>FY27 | AMENDED<br>BUDGET<br>FY27 | \$ CHANGE<br>BUDGET/<br>AMENDED | % CHANGE<br>BUDGET/<br>AMENDED |
|-------------------------------------------|---------------------|----------------------------|---------------------------|---------------------------------|--------------------------------|
| <b>OPERATING REVENUE</b>                  |                     |                            |                           |                                 |                                |
| PASSENGER REVENUE                         | -                   | -                          | -                         | -                               | -                              |
| OTHER OPERATING REVENUE                   | 33,872,458          | 31,187,312                 | 31,187,312                | -                               | 0.0%                           |
| <b>TOTAL OPERATING REVENUES</b>           | <b>33,872,458</b>   | <b>31,187,312</b>          | <b>31,187,312</b>         | <b>-</b>                        | <b>0.0%</b>                    |
| <b>NON OPERATING REVENUE</b>              |                     |                            |                           |                                 |                                |
| TOTAL SUBSIDY REVENUE                     | 7,390,497           | 4,624,145                  | 4,624,145                 | -                               | 0.0%                           |
| OTHER NON OPERATING REVENUE               |                     |                            |                           |                                 |                                |
| RESERVE REVENUE                           | -                   | -                          | -                         | -                               | -                              |
| OTHER INCOME                              | -                   | -                          | -                         | -                               | -                              |
| TOTAL OTHER NON OPERATING REVENUE         | -                   | -                          | -                         | -                               | -                              |
| <b>TOTAL NON OPERATING REVENUE</b>        | <b>7,390,497</b>    | <b>4,624,145</b>           | <b>4,624,145</b>          | <b>-</b>                        | <b>0.0%</b>                    |
| <b>TOTAL COMBINED REVENUES</b>            | <b>41,262,955</b>   | <b>35,811,457</b>          | <b>35,811,457</b>         | <b>-</b>                        | <b>0.0%</b>                    |
| <b>OPERATING EXPENSES</b>                 |                     |                            |                           |                                 |                                |
| LABOR EXPENSES                            | 23,229,836          | 26,230,071                 | 26,230,071                | -                               | 0.0%                           |
| FRINGE EXPENSES                           | 10,529,754          | 11,855,919                 | 11,855,919                | -                               | 0.0%                           |
| <b>TOTAL PERSONNEL EXPENSES</b>           | <b>33,759,589</b>   | <b>38,085,990</b>          | <b>38,085,990</b>         | <b>-</b>                        | <b>0.0%</b>                    |
| SECURITY EXPENSES                         | 12,895,232          | 14,892,176                 | 14,892,176                | -                               | 0.0%                           |
| REPAIR/MAINTENANCE SERVICES               | 351,686             | 235,900                    | 235,900                   | -                               | 0.0%                           |
| ENGINE AND TRANSMISSION REBUILD           | -                   | -                          | -                         | -                               | -                              |
| OTHER OUTSIDE SERVICES                    | 15,623,405          | 20,447,977                 | 20,447,977                | -                               | 0.0%                           |
| PURCHASED TRANSPORTATION                  | -                   | -                          | -                         | -                               | -                              |
| <b>TOTAL OUTSIDE SERVICES</b>             | <b>28,870,322</b>   | <b>35,576,053</b>          | <b>35,576,053</b>         | <b>-</b>                        | <b>0.0%</b>                    |
| LUBRICANTS                                | -                   | -                          | -                         | -                               | -                              |
| TIRES                                     | -                   | -                          | -                         | -                               | -                              |
| OTHER MATERIALS AND SUPPLIES              | 183,400             | 519,359                    | 519,359                   | -                               | 0.0%                           |
| <b>TOTAL MATERIALS AND SUPPLIES</b>       | <b>183,400</b>      | <b>519,359</b>             | <b>519,359</b>            | <b>-</b>                        | <b>0.0%</b>                    |
| GAS/DIESEL/PROPANE                        | 231,725             | 265,600                    | 265,600                   | -                               | 0.0%                           |
| CNG                                       | -                   | -                          | -                         | -                               | -                              |
| TRACTION POWER                            | -                   | -                          | -                         | -                               | -                              |
| UTILITIES                                 | 1,054,238           | 1,013,245                  | 1,013,245                 | -                               | 0.0%                           |
| <b>TOTAL ENERGY</b>                       | <b>1,285,963</b>    | <b>1,278,845</b>           | <b>1,278,845</b>          | <b>-</b>                        | <b>0.0%</b>                    |
| <b>RISK MANAGEMENT</b>                    | <b>864,224</b>      | <b>1,138,086</b>           | <b>1,138,086</b>          | <b>-</b>                        | <b>0.0%</b>                    |
| <b>GENERAL AND ADMINISTRATIVE</b>         | <b>5,730,424</b>    | <b>6,188,673</b>           | <b>6,188,673</b>          | <b>-</b>                        | <b>0.0%</b>                    |
| <b>DEBT SERVICE</b>                       | <b>-</b>            | <b>-</b>                   | <b>-</b>                  | <b>-</b>                        | <b>-</b>                       |
| <b>VEHICLE / FACILITY LEASE</b>           | <b>458,458</b>      | <b>663,726</b>             | <b>663,726</b>            | <b>-</b>                        | <b>0.0%</b>                    |
| <b>TOTAL OPERATING EXPENSES</b>           | <b>71,152,381</b>   | <b>83,450,732</b>          | <b>83,450,732</b>         | <b>-</b>                        | <b>0.0%</b>                    |
| <b>NET OPERATING SUBSIDY</b>              | <b>(37,279,923)</b> | <b>(52,263,420)</b>        | <b>(52,263,420)</b>       | <b>-</b>                        | <b>0.0%</b>                    |
| OVERHEAD ALLOCATION                       | 33,210,996          | 47,639,275                 | 47,639,275                | -                               | 0.0%                           |
| <b>ADJUSTED NET OPERATING SUBSIDY</b>     | <b>(4,068,927)</b>  | <b>(4,624,145)</b>         | <b>(4,624,145)</b>        | <b>-</b>                        | <b>0.0%</b>                    |
| <b>TOTAL REVENUES LESS TOTAL EXPENSES</b> | <b>3,321,569</b>    | <b>-</b>                   | <b>-</b>                  | <b>-</b>                        | <b>-</b>                       |

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
OTHER ACTIVITIES BUDGET  
FISCAL YEAR 2027  
SECTION 2.04**

|                                           | <b>ACTUAL<br/>FY25</b> | <b>ORIGINAL<br/>BUDGET<br/>FY27</b> | <b>AMENDED<br/>BUDGET<br/>FY27</b> | <b>\$ CHANGE<br/>BUDGET/<br/>AMENDED</b> | <b>% CHANGE<br/>BUDGET/<br/>AMENDED</b> |
|-------------------------------------------|------------------------|-------------------------------------|------------------------------------|------------------------------------------|-----------------------------------------|
| <b>OPERATING REVENUE</b>                  |                        |                                     |                                    |                                          |                                         |
| PASSENGER REVENUE                         | -                      | -                                   | -                                  | -                                        | -                                       |
| OTHER OPERATING REVENUE                   | 1,106,302              | 1,227,768                           | 1,227,768                          | -                                        | 0.0%                                    |
| <b>TOTAL OPERATING REVENUES</b>           | <b>1,106,302</b>       | <b>1,227,768</b>                    | <b>1,227,768</b>                   | <b>-</b>                                 | <b>0.0%</b>                             |
| <b>NON OPERATING REVENUE</b>              |                        |                                     |                                    |                                          |                                         |
| TOTAL SUBSIDY REVENUE                     | -                      | -                                   | -                                  | -                                        | -                                       |
| OTHER NON OPERATING REVENUE               |                        |                                     |                                    |                                          |                                         |
| RESERVE REVENUE                           | (181,279)              | (82,598)                            | (82,598)                           | -                                        | 0.0%                                    |
| OTHER INCOME                              | -                      | -                                   | -                                  | -                                        | -                                       |
| TOTAL OTHER NON OPERATING REVENUE         | (181,279)              | (82,598)                            | (82,598)                           | -                                        | 0.0%                                    |
| <b>TOTAL NON OPERATING REVENUE</b>        | <b>(181,279)</b>       | <b>(82,598)</b>                     | <b>(82,598)</b>                    | <b>-</b>                                 | <b>0.0%</b>                             |
| <b>TOTAL COMBINED REVENUES</b>            | <b>925,024</b>         | <b>1,145,170</b>                    | <b>1,145,170</b>                   | <b>-</b>                                 | <b>0.0%</b>                             |
| <b>OPERATING EXPENSES</b>                 |                        |                                     |                                    |                                          |                                         |
| LABOR EXPENSES                            | 417,916                | 493,465                             | 493,465                            | -                                        | 0.0%                                    |
| FRINGE EXPENSES                           | 228,876                | 278,854                             | 278,854                            | -                                        | 0.0%                                    |
| <b>TOTAL PERSONNEL EXPENSES</b>           | <b>646,792</b>         | <b>772,319</b>                      | <b>772,319</b>                     | <b>-</b>                                 | <b>0.0%</b>                             |
| SECURITY EXPENSES                         | -                      | -                                   | -                                  | -                                        | -                                       |
| REPAIR/MAINTENANCE SERVICES               | 3,498                  | 7,000                               | 7,000                              | -                                        | 0.0%                                    |
| ENGINE AND TRANSMISSION REBUILD           | -                      | -                                   | -                                  | -                                        | -                                       |
| OTHER OUTSIDE SERVICES                    | 105,547                | 102,000                             | 102,000                            | -                                        | 0.0%                                    |
| PURCHASED TRANSPORTATION                  | -                      | -                                   | -                                  | -                                        | -                                       |
| <b>TOTAL OUTSIDE SERVICES</b>             | <b>109,045</b>         | <b>109,000</b>                      | <b>109,000</b>                     | <b>-</b>                                 | <b>0.0%</b>                             |
| LUBRICANTS                                | -                      | -                                   | -                                  | -                                        | -                                       |
| TIRES                                     | -                      | -                                   | -                                  | -                                        | -                                       |
| OTHER MATERIALS AND SUPPLIES              | 2,382                  | 500                                 | 500                                | -                                        | 0.0%                                    |
| <b>TOTAL MATERIALS AND SUPPLIES</b>       | <b>2,382</b>           | <b>500</b>                          | <b>500</b>                         | <b>-</b>                                 | <b>0.0%</b>                             |
| GAS/DIESEL/PROPANE                        | 4,399                  | 7,000                               | 7,000                              | -                                        | 0.0%                                    |
| CNG                                       | -                      | -                                   | -                                  | -                                        | -                                       |
| TRACTION POWER                            | -                      | -                                   | -                                  | -                                        | -                                       |
| UTILITIES                                 | -                      | -                                   | -                                  | -                                        | -                                       |
| <b>TOTAL ENERGY</b>                       | <b>4,399</b>           | <b>7,000</b>                        | <b>7,000</b>                       | <b>-</b>                                 | <b>0.0%</b>                             |
| <b>RISK MANAGEMENT</b>                    | <b>75,915</b>          | <b>116,774</b>                      | <b>116,774</b>                     | <b>-</b>                                 | <b>0.0%</b>                             |
| <b>GENERAL AND ADMINISTRATIVE</b>         | <b>63,911</b>          | <b>57,264</b>                       | <b>57,264</b>                      | <b>-</b>                                 | <b>0.0%</b>                             |
| <b>DEBT SERVICE</b>                       | <b>-</b>               | <b>-</b>                            | <b>-</b>                           | <b>-</b>                                 | <b>-</b>                                |
| <b>VEHICLE / FACILITY LEASE</b>           | <b>24,608</b>          | <b>28,857</b>                       | <b>28,857</b>                      | <b>-</b>                                 | <b>0.0%</b>                             |
| <b>TOTAL OPERATING EXPENSES</b>           | <b>927,053</b>         | <b>1,091,714</b>                    | <b>1,091,714</b>                   | <b>-</b>                                 | <b>0.0%</b>                             |
| <b>NET OPERATING SUBSIDY</b>              | <b>179,249</b>         | <b>136,054</b>                      | <b>136,054</b>                     | <b>-</b>                                 | <b>0.0%</b>                             |
| OVERHEAD ALLOCATION                       | 733                    | (53,456)                            | (53,456)                           | -                                        | 0.0%                                    |
| <b>ADJUSTED NET OPERATING SUBSIDY</b>     | <b>179,983</b>         | <b>82,598</b>                       | <b>82,598</b>                      | <b>-</b>                                 | <b>0.0%</b>                             |
| <b>TOTAL REVENUES LESS TOTAL EXPENSES</b> | <b>(1,296)</b>         | <b>-</b>                            | <b>-</b>                           | <b>-</b>                                 | <b>0.0%</b>                             |

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
BUS OPERATIONS BUDGET SUMMARY  
FISCAL YEAR 2027  
SECTION 4.02**

|                                           | ACTUAL<br>FY25       | ORIGINAL<br>BUDGET<br>FY27 | AMENDED<br>BUDGET<br>FY27 | \$ CHANGE<br>BUDGET/<br>AMENDED | % CHANGE<br>BUDGET/<br>AMENDED |
|-------------------------------------------|----------------------|----------------------------|---------------------------|---------------------------------|--------------------------------|
| <b>OPERATING REVENUE</b>                  |                      |                            |                           |                                 |                                |
| PASSENGER REVENUE                         | 20,708,203           | 20,988,765                 | 21,946,250                | 957,485                         | 4.6%                           |
| OTHER OPERATING REVENUE                   | 29,900               | 30,000                     | 30,000                    | -                               | 0.0%                           |
| <b>TOTAL OPERATING REVENUES</b>           | <b>20,738,103</b>    | <b>21,018,765</b>          | <b>21,976,250</b>         | <b>957,485</b>                  | <b>4.6%</b>                    |
| <b>NON OPERATING REVENUE</b>              |                      |                            |                           |                                 |                                |
| TOTAL SUBSIDY REVENUE                     | 95,798,306           | 115,467,305                | 114,509,820               | (957,485)                       | -0.8%                          |
| OTHER NON OPERATING REVENUE               |                      |                            |                           |                                 |                                |
| RESERVE REVENUE                           | 8,151,292            | -                          | -                         | -                               | -                              |
| OTHER INCOME                              | -                    | -                          | -                         | -                               | -                              |
| TOTAL OTHER NON OPERATING REVENUE         | 8,151,292            | -                          | -                         | -                               | -                              |
| <b>TOTAL NON OPERATING REVENUE</b>        | <b>103,949,598</b>   | <b>115,467,305</b>         | <b>114,509,820</b>        | <b>(957,485)</b>                | <b>-0.8%</b>                   |
| <b>TOTAL COMBINED REVENUES</b>            | <b>124,687,701</b>   | <b>136,486,070</b>         | <b>136,486,071</b>        | <b>-</b>                        | <b>0.0%</b>                    |
| <b>OPERATING EXPENSES</b>                 |                      |                            |                           |                                 |                                |
| LABOR EXPENSES                            | 52,255,665           | 54,557,358                 | 54,557,358                | -                               | 0.0%                           |
| FRINGE EXPENSES                           | 45,786,281           | 44,757,189                 | 44,757,189                | -                               | 0.0%                           |
| <b>TOTAL PERSONNEL EXPENSES</b>           | <b>98,041,946</b>    | <b>99,314,547</b>          | <b>99,314,547</b>         | <b>-</b>                        | <b>0.0%</b>                    |
| SECURITY EXPENSES                         | -                    | -                          | -                         | -                               | -                              |
| REPAIR/MAINTENANCE SERVICES               | 938,828              | 1,056,524                  | 1,056,524                 | -                               | 0.0%                           |
| ENGINE AND TRANSMISSION REBUILD           | 204,222              | 395,000                    | 395,000                   | -                               | 0.0%                           |
| OTHER OUTSIDE SERVICES                    | 1,433,953            | 1,028,542                  | 1,028,542                 | -                               | 0.0%                           |
| PURCHASED TRANSPORTATION                  | -                    | -                          | -                         | -                               | -                              |
| <b>TOTAL OUTSIDE SERVICES</b>             | <b>2,577,003</b>     | <b>2,480,066</b>           | <b>2,480,066</b>          | <b>-</b>                        | <b>0.0%</b>                    |
| LUBRICANTS                                | 178,985              | 162,000                    | 162,000                   | -                               | 0.0%                           |
| TIRES                                     | 1,337,422            | 1,602,300                  | 1,602,300                 | -                               | 0.0%                           |
| OTHER MATERIALS AND SUPPLIES              | 6,312,977            | 6,305,038                  | 6,305,038                 | -                               | 0.0%                           |
| <b>TOTAL MATERIALS AND SUPPLIES</b>       | <b>7,829,384</b>     | <b>8,069,338</b>           | <b>8,069,338</b>          | <b>-</b>                        | <b>0.0%</b>                    |
| GAS/DIESEL/PROPANE                        | 226,835              | 262,644                    | 262,644                   | -                               | 0.0%                           |
| CNG                                       | 6,330,015            | 6,407,834                  | 6,407,834                 | -                               | 0.0%                           |
| TRACTION POWER                            | 109,290              | 150,000                    | 150,000                   | -                               | 0.0%                           |
| UTILITIES                                 | 854,908              | 942,297                    | 942,297                   | -                               | 0.0%                           |
| <b>TOTAL ENERGY</b>                       | <b>7,521,048</b>     | <b>7,762,775</b>           | <b>7,762,775</b>          | <b>-</b>                        | <b>0.0%</b>                    |
| <b>RISK MANAGEMENT</b>                    | <b>4,195,430</b>     | <b>7,870,006</b>           | <b>7,870,006</b>          | <b>-</b>                        | <b>0.0%</b>                    |
| <b>GENERAL AND ADMINISTRATIVE</b>         | <b>536,299</b>       | <b>555,932</b>             | <b>555,932</b>            | <b>-</b>                        | <b>0.0%</b>                    |
| <b>DEBT SERVICE</b>                       | <b>-</b>             | <b>-</b>                   | <b>-</b>                  | <b>-</b>                        | <b>-</b>                       |
| <b>VEHICLE / FACILITY LEASE</b>           | <b>572,334</b>       | <b>643,000</b>             | <b>643,000</b>            | <b>-</b>                        | <b>0.0%</b>                    |
| <b>TOTAL OPERATING EXPENSES</b>           | <b>121,273,445</b>   | <b>126,695,664</b>         | <b>126,695,664</b>        | <b>-</b>                        | <b>0.0%</b>                    |
| <b>NET OPERATING SUBSIDY</b>              | <b>(100,535,342)</b> | <b>(105,676,899)</b>       | <b>(104,719,414)</b>      | <b>(957,485)</b>                | <b>-0.9%</b>                   |
| <b>OVERHEAD ALLOCATION</b>                | <b>(3,414,256)</b>   | <b>(9,790,407)</b>         | <b>(9,790,407)</b>        | <b>-</b>                        | <b>0.0%</b>                    |
| <b>ADJUSTED NET OPERATING SUBSIDY</b>     | <b>(103,949,598)</b> | <b>(115,467,306)</b>       | <b>(114,509,820)</b>      | <b>(957,485)</b>                | <b>-0.8%</b>                   |
| <b>TOTAL REVENUES LESS TOTAL EXPENSES</b> | <b>-</b>             | <b>(1)</b>                 | <b>-</b>                  | <b>(1)</b>                      | <b>0.0%</b>                    |

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
RAIL OPERATIONS BUDGET SUMMARY  
FISCAL YEAR 2027  
SECTION 4.03**

|                                           | ACTUAL<br>FY25       | ORIGINAL<br>BUDGET<br>FY27 | AMENDED<br>BUDGET<br>FY27 | \$ CHANGE<br>BUDGET/<br>AMENDED | % CHANGE<br>BUDGET/<br>AMENDED |
|-------------------------------------------|----------------------|----------------------------|---------------------------|---------------------------------|--------------------------------|
| <b>OPERATING REVENUE</b>                  |                      |                            |                           |                                 |                                |
| PASSENGER REVENUE                         | 31,643,598           | 34,379,372                 | 35,947,722                | 1,568,350                       | 4.6%                           |
| OTHER OPERATING REVENUE                   | 1,168,069            | 1,044,720                  | 1,044,720                 | -                               | 0.0%                           |
| <b>TOTAL OPERATING REVENUES</b>           | <b>32,811,666</b>    | <b>35,424,092</b>          | <b>36,992,442</b>         | <b>1,568,350</b>                | <b>4.4%</b>                    |
| <b>NON OPERATING REVENUE</b>              |                      |                            |                           |                                 |                                |
| TOTAL SUBSIDY REVENUE                     | 102,210,121          | 135,546,823                | 133,978,473               | (1,568,350)                     | -1.2%                          |
| OTHER NON OPERATING REVENUE               |                      |                            |                           |                                 |                                |
| RESERVE REVENUE                           | 11,389,064           | -                          | -                         | -                               | -                              |
| OTHER INCOME                              | -                    | -                          | -                         | -                               | -                              |
| TOTAL OTHER NON OPERATING REVENUE         | 11,389,064           | -                          | -                         | -                               | -                              |
| <b>TOTAL NON OPERATING REVENUE</b>        | <b>113,599,185</b>   | <b>135,546,823</b>         | <b>133,978,473</b>        | <b>(1,568,350)</b>              | <b>-1.2%</b>                   |
| <b>TOTAL COMBINED REVENUES</b>            | <b>146,410,852</b>   | <b>170,970,915</b>         | <b>170,970,915</b>        | <b>-</b>                        | <b>0.0%</b>                    |
| <b>OPERATING EXPENSES</b>                 |                      |                            |                           |                                 |                                |
| LABOR EXPENSES                            | 39,177,188           | 44,895,661                 | 44,895,661                | -                               | 0.0%                           |
| FRINGE EXPENSES                           | 21,813,168           | 23,384,963                 | 23,384,963                | -                               | 0.0%                           |
| <b>TOTAL PERSONNEL EXPENSES</b>           | <b>60,990,356</b>    | <b>68,280,624</b>          | <b>68,280,624</b>         | <b>-</b>                        | <b>0.0%</b>                    |
| SECURITY EXPENSES                         | 207,656              | 231,698                    | 231,698                   | -                               | 0.0%                           |
| REPAIR/MAINTENANCE SERVICES               | 9,787,003            | 11,335,167                 | 11,335,167                | -                               | 0.0%                           |
| ENGINE AND TRANSMISSION REBUILD           | -                    | -                          | -                         | -                               | -                              |
| OTHER OUTSIDE SERVICES                    | 4,020,939            | 3,384,400                  | 3,384,400                 | -                               | 0.0%                           |
| PURCHASED TRANSPORTATION                  | -                    | -                          | -                         | -                               | -                              |
| <b>TOTAL OUTSIDE SERVICES</b>             | <b>14,015,597</b>    | <b>14,951,265</b>          | <b>14,951,265</b>         | <b>-</b>                        | <b>0.0%</b>                    |
| LUBRICANTS                                | 311,305              | 365,000                    | 365,000                   | -                               | 0.0%                           |
| TIRES                                     | 14,372               | 25,000                     | 25,000                    | -                               | 0.0%                           |
| OTHER MATERIALS AND SUPPLIES              | 9,844,586            | 12,857,152                 | 12,857,152                | -                               | 0.0%                           |
| <b>TOTAL MATERIALS AND SUPPLIES</b>       | <b>10,170,263</b>    | <b>13,247,152</b>          | <b>13,247,152</b>         | <b>-</b>                        | <b>0.0%</b>                    |
| GAS/DIESEL/PROPANE                        | 499,006              | 558,900                    | 558,900                   | -                               | 0.0%                           |
| CNG                                       | -                    | -                          | -                         | -                               | -                              |
| TRACTION POWER                            | 23,439,336           | 28,184,015                 | 28,184,015                | -                               | 0.0%                           |
| UTILITIES                                 | 3,449,770            | 3,803,747                  | 3,803,747                 | -                               | 0.0%                           |
| <b>TOTAL ENERGY</b>                       | <b>27,388,112</b>    | <b>32,546,662</b>          | <b>32,546,662</b>         | <b>-</b>                        | <b>0.0%</b>                    |
| <b>RISK MANAGEMENT</b>                    | <b>5,690,359</b>     | <b>6,589,525</b>           | <b>6,589,525</b>          | <b>-</b>                        | <b>0.0%</b>                    |
| <b>GENERAL AND ADMINISTRATIVE</b>         | <b>560,240</b>       | <b>568,129</b>             | <b>568,129</b>            | <b>-</b>                        | <b>0.0%</b>                    |
| <b>DEBT SERVICE</b>                       | <b>-</b>             | <b>-</b>                   | <b>-</b>                  | <b>-</b>                        | <b>-</b>                       |
| <b>VEHICLE / FACILITY LEASE</b>           | <b>776,420</b>       | <b>720,675</b>             | <b>720,675</b>            | <b>-</b>                        | <b>0.0%</b>                    |
| <b>TOTAL OPERATING EXPENSES</b>           | <b>119,591,346</b>   | <b>136,904,032</b>         | <b>136,904,032</b>        | <b>-</b>                        | <b>0.0%</b>                    |
| <b>NET OPERATING SUBSIDY</b>              | <b>(86,779,680)</b>  | <b>(101,479,940)</b>       | <b>(99,911,590)</b>       | <b>(1,568,350)</b>              | <b>-1.5%</b>                   |
| <b>OVERHEAD ALLOCATION</b>                | <b>(26,819,506)</b>  | <b>(34,066,882)</b>        | <b>(34,066,882)</b>       | <b>-</b>                        | <b>0.0%</b>                    |
| <b>ADJUSTED NET OPERATING SUBSIDY</b>     | <b>(113,599,185)</b> | <b>(135,546,822)</b>       | <b>(133,978,472)</b>      | <b>(1,568,351)</b>              | <b>-1.2%</b>                   |
| <b>TOTAL REVENUES LESS TOTAL EXPENSES</b> | <b>-</b>             | <b>1</b>                   | <b>1</b>                  | <b>-</b>                        | <b>0.0%</b>                    |

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**CONTRACTED BUS OPERATIONS - FIXED ROUTE BUDGET SUMMARY**  
**FISCAL YEAR 2027**  
**SECTION 4.04**

|                                           | ACTUAL<br>FY25      | ORIGINAL<br>BUDGET<br>FY27 | AMENDED<br>BUDGET<br>FY27 | \$ CHANGE<br>BUDGET/<br>AMENDED | % CHANGE<br>BUDGET/<br>AMENDED |
|-------------------------------------------|---------------------|----------------------------|---------------------------|---------------------------------|--------------------------------|
| <b>OPERATING REVENUE</b>                  |                     |                            |                           |                                 |                                |
| PASSENGER REVENUE                         | 23,975,174          | 25,694,734                 | 26,866,901                | 1,172,167                       | 4.6%                           |
| OTHER OPERATING REVENUE                   | -                   | -                          | -                         | -                               | -                              |
| <b>TOTAL OPERATING REVENUES</b>           | <b>23,975,174</b>   | <b>25,694,734</b>          | <b>26,866,901</b>         | <b>1,172,167</b>                | <b>4.6%</b>                    |
| <b>NON OPERATING REVENUE</b>              |                     |                            |                           |                                 |                                |
| TOTAL SUBSIDY REVENUE                     | 83,462,420          | 86,201,404                 | 85,029,237                | (1,172,167)                     | -1.4%                          |
| OTHER NON OPERATING REVENUE               |                     |                            |                           |                                 |                                |
| RESERVE REVENUE                           | -                   | -                          | -                         | -                               | -                              |
| OTHER INCOME                              | -                   | -                          | -                         | -                               | -                              |
| TOTAL OTHER NON OPERATING REVENUE         | -                   | -                          | -                         | -                               | -                              |
| <b>TOTAL NON OPERATING REVENUE</b>        | <b>83,462,420</b>   | <b>86,201,404</b>          | <b>85,029,237</b>         | <b>(1,172,167)</b>              | <b>-1.4%</b>                   |
| <b>TOTAL COMBINED REVENUES</b>            | <b>107,437,594</b>  | <b>111,896,138</b>         | <b>111,896,138</b>        | <b>-</b>                        | <b>0.0%</b>                    |
| <b>OPERATING EXPENSES</b>                 |                     |                            |                           |                                 |                                |
| LABOR EXPENSES                            | 446,291             | 484,000                    | 484,000                   | -                               | 0.0%                           |
| FRINGE EXPENSES                           | 363,417             | 307,089                    | 307,089                   | -                               | 0.0%                           |
| <b>TOTAL PERSONNEL EXPENSES</b>           | <b>809,708</b>      | <b>791,089</b>             | <b>791,089</b>            | <b>-</b>                        | <b>0.0%</b>                    |
| SECURITY EXPENSES                         | 1,039,943           | 1,187,621                  | 1,187,621                 | -                               | 0.0%                           |
| REPAIR/MAINTENANCE SERVICES               | 71,813              | 9,000                      | 9,000                     | -                               | 0.0%                           |
| ENGINE AND TRANSMISSION REBUILD           | 1,124,687           | 1,319,000                  | 1,319,000                 | -                               | 0.0%                           |
| OTHER OUTSIDE SERVICES                    | 3,037,257           | 2,778,084                  | 2,778,084                 | -                               | 0.0%                           |
| PURCHASED TRANSPORTATION                  | 90,477,788          | 93,689,693                 | 93,689,693                | -                               | 0.0%                           |
| <b>TOTAL OUTSIDE SERVICES</b>             | <b>95,751,489</b>   | <b>98,983,398</b>          | <b>98,983,398</b>         | <b>-</b>                        | <b>0.0%</b>                    |
| LUBRICANTS                                | -                   | -                          | -                         | -                               | -                              |
| TIRES                                     | -                   | -                          | -                         | -                               | -                              |
| OTHER MATERIALS AND SUPPLIES              | 132,827             | 103,520                    | 103,520                   | -                               | 0.0%                           |
| <b>TOTAL MATERIALS AND SUPPLIES</b>       | <b>132,827</b>      | <b>103,520</b>             | <b>103,520</b>            | <b>-</b>                        | <b>0.0%</b>                    |
| GAS/DIESEL/PROPANE                        | 638,883             | 650,961                    | 650,961                   | -                               | 0.0%                           |
| CNG                                       | 6,474,968           | 6,976,579                  | 6,976,579                 | -                               | 0.0%                           |
| TRACTION POWER                            | 235,500             | 281,000                    | 281,000                   | -                               | 0.0%                           |
| UTILITIES                                 | 879,925             | 1,060,955                  | 1,060,955                 | -                               | 0.0%                           |
| <b>TOTAL ENERGY</b>                       | <b>8,229,275</b>    | <b>8,969,495</b>           | <b>8,969,495</b>          | <b>-</b>                        | <b>0.0%</b>                    |
| RISK MANAGEMENT                           | -                   | -                          | -                         | -                               | -                              |
| GENERAL AND ADMINISTRATIVE                | 5,625               | 9,700                      | 9,700                     | -                               | 0.0%                           |
| DEBT SERVICE                              | -                   | -                          | -                         | -                               | -                              |
| VEHICLE / FACILITY LEASE                  | 22,603              | 46,445                     | 46,445                    | -                               | 0.0%                           |
| <b>TOTAL OPERATING EXPENSES</b>           | <b>104,951,527</b>  | <b>108,903,646</b>         | <b>108,903,647</b>        | <b>1</b>                        | <b>0.0%</b>                    |
| <b>NET OPERATING SUBSIDY</b>              | <b>(80,976,353)</b> | <b>(83,208,912)</b>        | <b>(82,036,746)</b>       | <b>(1,172,166)</b>              | <b>-1.4%</b>                   |
| OVERHEAD ALLOCATION                       | (2,486,067)         | (2,992,491)                | (2,992,491)               | -                               | 0.0%                           |
| <b>ADJUSTED NET OPERATING SUBSIDY</b>     | <b>(83,462,420)</b> | <b>(86,201,403)</b>        | <b>(85,029,237)</b>       | <b>(1,172,166)</b>              | <b>-1.4%</b>                   |
| <b>TOTAL REVENUES LESS TOTAL EXPENSES</b> | <b>-</b>            | <b>1</b>                   | <b>-</b>                  | <b>1</b>                        | <b>0.0%</b>                    |

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**CONTRACTED BUS OPERATIONS - PARA TRANSIT BUDGET SUMMARY**  
**FISCAL YEAR 2027**  
**SECTION 4.05**

|                                           | ACTUAL<br>FY25      | ORIGINAL<br>BUDGET<br>FY27 | AMENDED<br>BUDGET<br>FY27 | \$ CHANGE<br>BUDGET/<br>AMENDED | % CHANGE<br>BUDGET/<br>AMENDED |
|-------------------------------------------|---------------------|----------------------------|---------------------------|---------------------------------|--------------------------------|
| <b>OPERATING REVENUE</b>                  |                     |                            |                           |                                 |                                |
| PASSENGER REVENUE                         | 1,569,684           | 1,951,519                  | 1,951,519                 | -                               | 0.0%                           |
| OTHER OPERATING REVENUE                   | -                   | -                          | -                         | -                               | -                              |
| <b>TOTAL OPERATING REVENUES</b>           | <b>1,569,684</b>    | <b>1,951,519</b>           | <b>1,951,519</b>          | <b>-</b>                        | <b>0.0%</b>                    |
| <b>NON OPERATING REVENUE</b>              |                     |                            |                           |                                 |                                |
| TOTAL SUBSIDY REVENUE                     | 20,058,174          | 23,371,021                 | 23,371,021                | -                               | 0.0%                           |
| OTHER NON OPERATING REVENUE               |                     |                            |                           |                                 |                                |
| RESERVE REVENUE                           | -                   | -                          | -                         | -                               | -                              |
| OTHER INCOME                              | -                   | -                          | -                         | -                               | -                              |
| TOTAL OTHER NON OPERATING REVENUE         | -                   | -                          | -                         | -                               | -                              |
| <b>TOTAL NON OPERATING REVENUE</b>        | <b>20,058,174</b>   | <b>23,371,021</b>          | <b>23,371,021</b>         | <b>-</b>                        | <b>0.0%</b>                    |
| <b>TOTAL COMBINED REVENUES</b>            | <b>21,627,857</b>   | <b>25,322,540</b>          | <b>25,322,540</b>         | <b>-</b>                        | <b>0.0%</b>                    |
| <b>OPERATING EXPENSES</b>                 |                     |                            |                           |                                 |                                |
| LABOR EXPENSES                            | 129,974             | 129,000                    | 129,000                   | -                               | 0.0%                           |
| FRINGE EXPENSES                           | 112,818             | 76,308                     | 76,308                    | -                               | 0.0%                           |
| <b>TOTAL PERSONNEL EXPENSES</b>           | <b>242,792</b>      | <b>205,308</b>             | <b>205,308</b>            | <b>-</b>                        | <b>0.0%</b>                    |
| SECURITY EXPENSES                         | -                   | -                          | -                         | -                               | -                              |
| REPAIR/MAINTENANCE SERVICES               | -                   | 1,600                      | 1,600                     | -                               | 0.0%                           |
| ENGINE AND TRANSMISSION REBUILD           | -                   | -                          | -                         | -                               | -                              |
| OTHER OUTSIDE SERVICES                    | 970,136             | 1,065,822                  | 1,065,822                 | -                               | 0.0%                           |
| PURCHASED TRANSPORTATION                  | 18,301,898          | 20,900,765                 | 20,900,765                | -                               | 0.0%                           |
| <b>TOTAL OUTSIDE SERVICES</b>             | <b>19,272,034</b>   | <b>21,968,187</b>          | <b>21,968,187</b>         | <b>-</b>                        | <b>0.0%</b>                    |
| LUBRICANTS                                | -                   | -                          | -                         | -                               | -                              |
| TIRES                                     | -                   | -                          | -                         | -                               | -                              |
| OTHER MATERIALS AND SUPPLIES              | -                   | -                          | -                         | -                               | -                              |
| <b>TOTAL MATERIALS AND SUPPLIES</b>       | <b>-</b>            | <b>-</b>                   | <b>-</b>                  | <b>-</b>                        | <b>-</b>                       |
| GAS/DIESEL/PROPANE                        | 1,261,786           | 2,048,156                  | 2,048,156                 | -                               | 0.0%                           |
| CNG                                       | -                   | -                          | -                         | -                               | -                              |
| TRACTION POWER                            | -                   | -                          | -                         | -                               | -                              |
| UTILITIES                                 | -                   | -                          | -                         | -                               | -                              |
| <b>TOTAL ENERGY</b>                       | <b>1,261,786</b>    | <b>2,048,156</b>           | <b>2,048,156</b>          | <b>-</b>                        | <b>0.0%</b>                    |
| <b>RISK MANAGEMENT</b>                    | <b>15,000</b>       | <b>15,000</b>              | <b>15,000</b>             | <b>-</b>                        | <b>0.0%</b>                    |
| <b>GENERAL AND ADMINISTRATIVE</b>         | <b>1,825</b>        | <b>6,850</b>               | <b>6,850</b>              | <b>-</b>                        | <b>0.0%</b>                    |
| <b>DEBT SERVICE</b>                       | <b>-</b>            | <b>-</b>                   | <b>-</b>                  | <b>-</b>                        | <b>-</b>                       |
| <b>VEHICLE / FACILITY LEASE</b>           | <b>342,520</b>      | <b>343,000</b>             | <b>343,000</b>            | <b>-</b>                        | <b>0.0%</b>                    |
| <b>TOTAL OPERATING EXPENSES</b>           | <b>21,135,957</b>   | <b>24,586,501</b>          | <b>24,586,501</b>         | <b>-</b>                        | <b>0.0%</b>                    |
| <b>NET OPERATING SUBSIDY</b>              | <b>(19,566,273)</b> | <b>(22,634,983)</b>        | <b>(22,634,982)</b>       | <b>-</b>                        | <b>0.0%</b>                    |
| <b>OVERHEAD ALLOCATION</b>                | <b>(491,900)</b>    | <b>(736,039)</b>           | <b>(736,039)</b>          | <b>-</b>                        | <b>0.0%</b>                    |
| <b>ADJUSTED NET OPERATING SUBSIDY</b>     | <b>(20,058,173)</b> | <b>(23,371,021)</b>        | <b>(23,371,021)</b>       | <b>-</b>                        | <b>0.0%</b>                    |
| <b>TOTAL REVENUES LESS TOTAL EXPENSES</b> | <b>-</b>            | <b>-</b>                   | <b>-</b>                  | <b>-</b>                        | <b>0.0%</b>                    |



**SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
CORONADO FERRY BUDGET SUMMARY  
FISCAL YEAR 2027  
SECTION 4.06**

|                                           | <b>ACTUAL<br/>FY25</b> | <b>ORIGINAL<br/>BUDGET<br/>FY27</b> | <b>AMENDED<br/>BUDGET<br/>FY27</b> | <b>\$ CHANGE<br/>BUDGET/<br/>AMENDED</b> | <b>% CHANGE<br/>BUDGET/<br/>AMENDED</b> |
|-------------------------------------------|------------------------|-------------------------------------|------------------------------------|------------------------------------------|-----------------------------------------|
| <b>OPERATING REVENUE</b>                  |                        |                                     |                                    |                                          |                                         |
| PASSENGER REVENUE                         | -                      | -                                   | -                                  | -                                        | -                                       |
| OTHER OPERATING REVENUE                   | -                      | -                                   | -                                  | -                                        | -                                       |
| <b>TOTAL OPERATING REVENUES</b>           | -                      | -                                   | -                                  | -                                        | -                                       |
| <b>NON OPERATING REVENUE</b>              |                        |                                     |                                    |                                          |                                         |
| TOTAL SUBSIDY REVENUE                     | 320,110                | 336,871                             | 336,871                            | -                                        | 0.0%                                    |
| OTHER NON OPERATING REVENUE               |                        |                                     |                                    |                                          |                                         |
| RESERVE REVENUE                           | -                      | -                                   | -                                  | -                                        | -                                       |
| OTHER INCOME                              | -                      | -                                   | -                                  | -                                        | -                                       |
| TOTAL OTHER NON OPERATING REVENUE         | -                      | -                                   | -                                  | -                                        | -                                       |
| <b>TOTAL NON OPERATING REVENUE</b>        | <b>320,110</b>         | <b>336,871</b>                      | <b>336,871</b>                     | <b>-</b>                                 | <b>0.0%</b>                             |
| <b>TOTAL COMBINED REVENUES</b>            | <b>320,110</b>         | <b>336,871</b>                      | <b>336,871</b>                     | <b>-</b>                                 | <b>0.0%</b>                             |
| <b>OPERATING EXPENSES</b>                 |                        |                                     |                                    |                                          |                                         |
| LABOR EXPENSES                            | -                      | -                                   | -                                  | -                                        | -                                       |
| FRINGE EXPENSES                           | -                      | -                                   | -                                  | -                                        | -                                       |
| <b>TOTAL PERSONNEL EXPENSES</b>           | -                      | -                                   | -                                  | -                                        | -                                       |
| SECURITY EXPENSES                         | -                      | -                                   | -                                  | -                                        | -                                       |
| REPAIR/MAINTENANCE SERVICES               | -                      | -                                   | -                                  | -                                        | -                                       |
| ENGINE AND TRANSMISSION REBUILD           | -                      | -                                   | -                                  | -                                        | -                                       |
| OTHER OUTSIDE SERVICES                    | -                      | -                                   | -                                  | -                                        | -                                       |
| PURCHASED TRANSPORTATION                  | 320,110                | 336,871                             | 336,871                            | -                                        | 0.0%                                    |
| <b>TOTAL OUTSIDE SERVICES</b>             | <b>320,110</b>         | <b>336,871</b>                      | <b>336,871</b>                     | <b>-</b>                                 | <b>0.0%</b>                             |
| LUBRICANTS                                | -                      | -                                   | -                                  | -                                        | -                                       |
| TIRES                                     | -                      | -                                   | -                                  | -                                        | -                                       |
| OTHER MATERIALS AND SUPPLIES              | -                      | -                                   | -                                  | -                                        | -                                       |
| <b>TOTAL MATERIALS AND SUPPLIES</b>       | -                      | -                                   | -                                  | -                                        | -                                       |
| GAS/DIESEL/PROPANE                        | -                      | -                                   | -                                  | -                                        | -                                       |
| CNG                                       | -                      | -                                   | -                                  | -                                        | -                                       |
| TRACTION POWER                            | -                      | -                                   | -                                  | -                                        | -                                       |
| UTILITIES                                 | -                      | -                                   | -                                  | -                                        | -                                       |
| <b>TOTAL ENERGY</b>                       | -                      | -                                   | -                                  | -                                        | -                                       |
| <b>RISK MANAGEMENT</b>                    | -                      | -                                   | -                                  | -                                        | -                                       |
| <b>GENERAL AND ADMINISTRATIVE</b>         | -                      | -                                   | -                                  | -                                        | -                                       |
| <b>DEBT SERVICE</b>                       | -                      | -                                   | -                                  | -                                        | -                                       |
| <b>VEHICLE / FACILITY LEASE</b>           | -                      | -                                   | -                                  | -                                        | -                                       |
| <b>TOTAL OPERATING EXPENSES</b>           | <b>320,110</b>         | <b>336,871</b>                      | <b>336,871</b>                     | <b>-</b>                                 | <b>0.0%</b>                             |
| <b>NET OPERATING SUBSIDY</b>              | <b>(320,110)</b>       | <b>(336,871)</b>                    | <b>(336,871)</b>                   | <b>-</b>                                 | <b>0.0%</b>                             |
| <b>OVERHEAD ALLOCATION</b>                | -                      | -                                   | -                                  | -                                        | -                                       |
| <b>ADJUSTED NET OPERATING SUBSIDY</b>     | <b>(320,110)</b>       | <b>(336,871)</b>                    | <b>(336,871)</b>                   | <b>-</b>                                 | <b>0.0%</b>                             |
| <b>TOTAL REVENUES LESS TOTAL EXPENSES</b> | <b>-</b>               | <b>-</b>                            | <b>-</b>                           | <b>-</b>                                 | <b>0.0%</b>                             |

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
ADMINISTRATIVE PASS THROUGH BUDGET SUMMARY  
FISCAL YEAR 2027  
SECTION 4.07**

|                                           | ACTUAL<br>FY25   | ORIGINAL<br>BUDGET<br>FY27 | AMENDED<br>BUDGET<br>FY27 | \$ CHANGE<br>BUDGET/<br>AMENDED | % CHANGE<br>BUDGET/<br>AMENDED |
|-------------------------------------------|------------------|----------------------------|---------------------------|---------------------------------|--------------------------------|
| <b>OPERATING REVENUE</b>                  |                  |                            |                           |                                 |                                |
| PASSENGER REVENUE                         | -                | -                          | -                         | -                               | -                              |
| OTHER OPERATING REVENUE                   | -                | -                          | -                         | -                               | -                              |
| <b>TOTAL OPERATING REVENUES</b>           | -                | -                          | -                         | -                               | -                              |
| <b>NON OPERATING REVENUE</b>              |                  |                            |                           |                                 |                                |
| TOTAL SUBSIDY REVENUE                     | 365,593          | 530,394                    | 530,394                   | -                               | 0.0%                           |
| OTHER NON OPERATING REVENUE               |                  |                            |                           |                                 |                                |
| RESERVE REVENUE                           | -                | -                          | -                         | -                               | -                              |
| OTHER INCOME                              | -                | -                          | -                         | -                               | -                              |
| TOTAL OTHER NON OPERATING REVENUE         | -                | -                          | -                         | -                               | -                              |
| <b>TOTAL NON OPERATING REVENUE</b>        | <b>365,593</b>   | <b>530,394</b>             | <b>530,394</b>            | <b>-</b>                        | <b>0.0%</b>                    |
| <b>TOTAL COMBINED REVENUES</b>            | <b>365,593</b>   | <b>530,394</b>             | <b>530,394</b>            | <b>-</b>                        | <b>0.0%</b>                    |
| <b>OPERATING EXPENSES</b>                 |                  |                            |                           |                                 |                                |
| LABOR EXPENSES                            | -                | -                          | -                         | -                               | -                              |
| FRINGE EXPENSES                           | 124,539          | 291,304                    | 291,304                   | -                               | 0.0%                           |
| <b>TOTAL PERSONNEL EXPENSES</b>           | <b>124,539</b>   | <b>291,304</b>             | <b>291,304</b>            | <b>-</b>                        | <b>0.0%</b>                    |
| SECURITY EXPENSES                         | -                | -                          | -                         | -                               | -                              |
| REPAIR/MAINTENANCE SERVICES               | -                | -                          | -                         | -                               | -                              |
| ENGINE AND TRANSMISSION REBUILD           | -                | -                          | -                         | -                               | -                              |
| OTHER OUTSIDE SERVICES                    | 241,054          | 239,090                    | 239,090                   | -                               | 0.0%                           |
| PURCHASED TRANSPORTATION                  | -                | -                          | -                         | -                               | -                              |
| <b>TOTAL OUTSIDE SERVICES</b>             | <b>241,054</b>   | <b>239,090</b>             | <b>239,090</b>            | <b>-</b>                        | <b>0.0%</b>                    |
| LUBRICANTS                                | -                | -                          | -                         | -                               | -                              |
| TIRES                                     | -                | -                          | -                         | -                               | -                              |
| OTHER MATERIALS AND SUPPLIES              | -                | -                          | -                         | -                               | -                              |
| <b>TOTAL MATERIALS AND SUPPLIES</b>       | <b>-</b>         | <b>-</b>                   | <b>-</b>                  | <b>-</b>                        | <b>-</b>                       |
| GAS/DIESEL/PROPANE                        | -                | -                          | -                         | -                               | -                              |
| CNG                                       | -                | -                          | -                         | -                               | -                              |
| TRACTION POWER                            | -                | -                          | -                         | -                               | -                              |
| UTILITIES                                 | -                | -                          | -                         | -                               | -                              |
| <b>TOTAL ENERGY</b>                       | <b>-</b>         | <b>-</b>                   | <b>-</b>                  | <b>-</b>                        | <b>-</b>                       |
| <b>RISK MANAGEMENT</b>                    | <b>-</b>         | <b>-</b>                   | <b>-</b>                  | <b>-</b>                        | <b>-</b>                       |
| <b>GENERAL AND ADMINISTRATIVE</b>         | <b>-</b>         | <b>-</b>                   | <b>-</b>                  | <b>-</b>                        | <b>-</b>                       |
| <b>DEBT SERVICE</b>                       | <b>-</b>         | <b>-</b>                   | <b>-</b>                  | <b>-</b>                        | <b>-</b>                       |
| <b>VEHICLE / FACILITY LEASE</b>           | <b>-</b>         | <b>-</b>                   | <b>-</b>                  | <b>-</b>                        | <b>-</b>                       |
| <b>TOTAL OPERATING EXPENSES</b>           | <b>365,593</b>   | <b>530,394</b>             | <b>530,394</b>            | <b>-</b>                        | <b>0.0%</b>                    |
| <b>NET OPERATING SUBSIDY</b>              | <b>(365,593)</b> | <b>(530,394)</b>           | <b>(530,394)</b>          | <b>-</b>                        | <b>0.0%</b>                    |
| <b>OVERHEAD ALLOCATION</b>                | <b>-</b>         | <b>-</b>                   | <b>-</b>                  | <b>-</b>                        | <b>-</b>                       |
| <b>ADJUSTED NET OPERATING SUBSIDY</b>     | <b>(365,593)</b> | <b>(530,394)</b>           | <b>(530,394)</b>          | <b>-</b>                        | <b>0.0%</b>                    |
| <b>TOTAL REVENUES LESS TOTAL EXPENSES</b> | <b>-</b>         | <b>-</b>                   | <b>-</b>                  | <b>-</b>                        | <b>0.0%</b>                    |

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
REVENUE BUDGET SUMMARY  
FISCAL YEAR 2027  
SECTION 3.02**

|                                      | <b>ACTUAL<br/>FY25</b> | <b>AMENDED<br/>BUDGET<br/>FY26</b> | <b>PROPOSED<br/>BUDGET<br/>FY27</b> | <b>\$ CHANGE<br/>AMENDED/<br/>ORIGINAL</b> | <b>% CHANGE<br/>AMENDED/<br/>ORIGINAL</b> |
|--------------------------------------|------------------------|------------------------------------|-------------------------------------|--------------------------------------------|-------------------------------------------|
| <b>OPERATING REVENUE</b>             |                        |                                    |                                     |                                            |                                           |
| PASSENGER REVENUE                    | 77,896,658             | 83,014,390                         | 86,712,392                          | 3,698,002                                  | 4.5%                                      |
| OTHER INCOME                         | 36,176,729             | 33,489,800                         | 33,489,800                          | -                                          | 0.0%                                      |
| TOTAL OPERATING REVENUE              | 114,073,387            | 116,504,190                        | 120,202,192                         | 3,698,002                                  | 3.2%                                      |
| <b>NON OPERATING REVENUE</b>         |                        |                                    |                                     |                                            |                                           |
| <b>SUBSIDY REVENUE</b>               |                        |                                    |                                     |                                            |                                           |
| FEDERAL REVENUE                      | 76,351,734             | 85,453,312                         | 85,453,312                          | -                                          | 0.0%                                      |
| FEDERAL REVENUE - CARES/ARP          | 47,416,746             | -                                  | -                                   | -                                          | -                                         |
| TRANSPORTATION DEVELOPMENT ACT (TDA) | 92,541,132             | 133,432,034                        | 133,432,034                         | -                                          | 0.0%                                      |
| STATE TRANSIT ASSISTANCE (STA)       | 5,960,988              | 11,300,000                         | 11,300,000                          | -                                          | 0.0%                                      |
| STATE REVENUE - OTHER                | 9,017,648              | 52,264,207                         | 48,566,205                          | (3,698,002)                                | -7.1%                                     |
| TRANSNET                             | 73,965,206             | 82,508,410                         | 82,508,410                          | -                                          | 0.0%                                      |
| OTHER LOCAL SUBSIDIES                | 4,351,768              | 1,120,000                          | 1,120,000                           | -                                          | 0.0%                                      |
| TOTAL SUBSIDY REVENUE                | 309,605,221            | 366,077,962                        | 362,379,960                         | (3,698,002)                                | -1.0%                                     |
| <b>OTHER REVENUE</b>                 |                        |                                    |                                     |                                            |                                           |
| OTHER FUNDS                          | -                      | -                                  | -                                   | -                                          | -                                         |
| RESERVES REVENUE                     | 19,359,078             | (82,598)                           | (82,598)                            | -                                          | 0.0%                                      |
| TOTAL OTHER REVENUE                  | 19,359,078             | (82,598)                           | (82,598)                            | -                                          | 0.0%                                      |
| TOTAL NON OPERATING REVENUE          | 328,964,299            | 365,995,365                        | 362,297,363                         | (3,698,002)                                | -1.0%                                     |
| <b>GRAND TOTAL REVENUES</b>          | <b>443,037,686</b>     | <b>482,499,555</b>                 | <b>482,499,555</b>                  | <b>-</b>                                   | <b>0.0%</b>                               |

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
NON OPERATING FUNDING SOURCES BY ACTIVITY  
FISCAL YEAR 2027  
SECTION 9.01**

|                                                    | <b>Federal</b>    | <b>TDA</b>         | <b>STA</b>        | <b>State -<br/>Other</b> | <b>TransNet</b>   | <b>Other<br/>Local</b> | <b>Other<br/>Non Operating</b> | <b>Reserves/<br/>Carryovers</b> | <b>Total</b>       |
|----------------------------------------------------|-------------------|--------------------|-------------------|--------------------------|-------------------|------------------------|--------------------------------|---------------------------------|--------------------|
| SDTC                                               | 25,000,000        | 14,422,259         | 11,300,000        | 18,301,806               | 45,485,755        | -                      | -                              | -                               | 114,509,820        |
| SDTI                                               | 42,500,000        | 55,862,607         | -                 | 9,667,003                | 25,948,862        | -                      | -                              | -                               | 133,978,472        |
| MCS 801 - South Central                            | 10,500,000        | 27,430,215         | -                 | 9,502,802                | -                 | -                      | -                              | -                               | 47,433,017         |
| MCS 802 - South Bay BRT                            | -                 | 99,764             | -                 | -                        | 5,799,769         | -                      | -                              | -                               | 5,899,533          |
| MCS 803 - South Bay Iris Rapid                     | -                 | -                  | -                 | 3,700,593                | -                 | -                      | -                              | -                               | 3,700,593          |
| MCS 820 - East County                              | -                 | 12,548,071         | -                 | 2,725,801                | -                 | -                      | -                              | -                               | 15,273,872         |
| MCS 825 - Rural                                    | 350,000           | 780,148            | -                 | -                        | -                 | -                      | -                              | -                               | 1,130,148          |
| MCS 830 - Commuter Express                         | -                 | 559,173            | -                 | -                        | -                 | 1,000,000              | -                              | -                               | 1,559,173          |
| MCS 831 - Murphy Canyon                            | -                 | -                  | -                 | -                        | -                 | -                      | -                              | -                               | -                  |
| MCS 835 - Central Routes 961-965                   | 200,000           | 4,560,473          | -                 | 1,168,200                | -                 | -                      | -                              | -                               | 5,928,673          |
| MCS 840 - Regional Transit Center Maintenance      | -                 | 770,404            | -                 | -                        | -                 | -                      | -                              | -                               | 770,404            |
| MCS 841 - Iris Rapid Transit Center Maintenance    | -                 | -                  | -                 | -                        | -                 | -                      | -                              | -                               | -                  |
| MCS 845 - BRT Superloop                            | -                 | -                  | -                 | -                        | 418,571           | -                      | -                              | -                               | 418,571            |
| MCS 846 - I15 Transit Center Maintenance           | -                 | -                  | -                 | -                        | 1,324,771         | -                      | -                              | -                               | 1,324,771          |
| MCS 847 - Mid City Transit Center Maintenance      | -                 | -                  | -                 | -                        | 334,484           | -                      | -                              | -                               | 334,484            |
| MCS 848 - South Bay BRT Transit Center Maintenance | -                 | -                  | -                 | -                        | 1,255,998         | -                      | -                              | -                               | 1,255,998          |
| MCS 850 - ADA Access                               | 6,403,312         | 14,775,276         | -                 | -                        | 1,316,054         | 120,000                | -                              | -                               | 22,614,642         |
| MCS 856 - ADA Certification                        | -                 | 756,379            | -                 | -                        | -                 | -                      | -                              | -                               | 756,379            |
| Coronado Ferry                                     | -                 | 336,871            | -                 | -                        | -                 | -                      | -                              | -                               | 336,871            |
| Administrative Pass Thru                           | -                 | 530,394            | -                 | -                        | -                 | -                      | -                              | -                               | 530,394            |
| <b>Subtotal Operations</b>                         | <b>84,953,312</b> | <b>133,432,034</b> | <b>11,300,000</b> | <b>45,066,205</b>        | <b>81,884,264</b> | <b>1,120,000</b>       | <b>-</b>                       | <b>-</b>                        | <b>357,755,815</b> |
| FHV Administration                                 | -                 | -                  | -                 | -                        | -                 | -                      | -                              | 116,321                         | 116,321            |
| SD&AE                                              | -                 | -                  | -                 | -                        | -                 | -                      | -                              | (198,919)                       | (198,919)          |
| <b>Subtotal Other Activities</b>                   | <b>-</b>          | <b>-</b>           | <b>-</b>          | <b>-</b>                 | <b>-</b>          | <b>-</b>               | <b>-</b>                       | <b>(82,598)</b>                 | <b>(82,598)</b>    |
| <b>Administrative</b>                              | <b>500,000</b>    | <b>-</b>           | <b>-</b>          | <b>3,500,000</b>         | <b>624,145</b>    | <b>-</b>               | <b>-</b>                       | <b>-</b>                        | <b>4,624,145</b>   |
| <b>Grand Total</b>                                 | <b>85,453,312</b> | <b>133,432,034</b> | <b>11,300,000</b> | <b>48,566,205</b>        | <b>82,508,410</b> | <b>1,120,000</b>       | <b>-</b>                       | <b>(82,598)</b>                 | <b>362,297,363</b> |

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**NON OPERATING FUNDING SOURCES BY ACTIVITY**  
**FISCAL YEAR 2027**  
**SECTION 9.02**

|                                                    | <b>FTA 5307<br/>Preventative<br/>Maintenance</b> | <b>FTA 5307<br/>CARES/ARP<br/>Act</b> | <b>Federal<br/>Other</b> | <b>FTA 5311/<br/>5311(f)<br/>Rural</b> | <b>TDA<br/>Article 4.0</b> | <b>TDA<br/>Article 4.5 ADA</b> |
|----------------------------------------------------|--------------------------------------------------|---------------------------------------|--------------------------|----------------------------------------|----------------------------|--------------------------------|
| SDTC                                               | 25,000,000                                       | -                                     | -                        | -                                      | 14,422,259                 | -                              |
| SDTI                                               | 42,500,000                                       | -                                     | -                        | -                                      | 55,862,607                 | -                              |
| MCS 801 - South Central                            | 10,500,000                                       | -                                     | -                        | -                                      | 27,430,215                 | -                              |
| MCS 802 - South Bay BRT                            | -                                                | -                                     | -                        | -                                      | 99,764                     | -                              |
| MCS 803 - South Bay Iris Rapid                     | -                                                | -                                     | -                        | -                                      | -                          | -                              |
| MCS 820 - East County                              | -                                                | -                                     | -                        | -                                      | 12,548,071                 | -                              |
| MCS 825 - Rural                                    | -                                                | -                                     | -                        | 350,000                                | 780,148                    | -                              |
| MCS 830 - Commuter Express                         | -                                                | -                                     | -                        | -                                      | -                          | -                              |
| MCS 835 - Central Routes 961-965                   | -                                                | -                                     | -                        | 200,000                                | 4,560,473                  | -                              |
| MCS 840 - Regional Transit Center Maintenance      | -                                                | -                                     | -                        | -                                      | 770,404                    | -                              |
| MCS 841 - Iris Rapid Transit Center Maintenance    | -                                                | -                                     | -                        | -                                      | -                          | -                              |
| MCS 845 - BRT Superloop                            | -                                                | -                                     | -                        | -                                      | -                          | -                              |
| MCS 846 - I15 Transit Center Maintenance           | -                                                | -                                     | -                        | -                                      | -                          | -                              |
| MCS 847 - Mid City Transit Center Maintenance      | -                                                | -                                     | -                        | -                                      | -                          | -                              |
| MCS 848 - South Bay BRT Transit Center Maintenance | -                                                | -                                     | -                        | -                                      | -                          | -                              |
| MCS 850 - ADA Access                               | 6,403,312                                        | -                                     | -                        | -                                      | 8,652,028                  | 6,123,248                      |
| MCS 856 - ADA Certification                        | -                                                | -                                     | -                        | -                                      | -                          | 756,379                        |
| Coronado Ferry                                     | -                                                | -                                     | -                        | -                                      | -                          | -                              |
| Administrative Pass Thru                           | -                                                | -                                     | -                        | -                                      | 530,394                    | -                              |
| Subtotal Operations                                | 84,403,312                                       | -                                     | -                        | 550,000                                | 125,656,363                | 6,879,627                      |
| FHV Administration                                 | -                                                | -                                     | -                        | -                                      | -                          | -                              |
| SD&AE                                              | -                                                | -                                     | -                        | -                                      | -                          | -                              |
| Subtotal Other Activities                          | -                                                | -                                     | -                        | -                                      | -                          | -                              |
| Administrative                                     | -                                                | -                                     | 500,000                  | -                                      | -                          | -                              |
| Grand Total                                        | <u>84,403,312</u>                                | <u>0</u>                              | <u>500,000</u>           | <u>550,000</u>                         | <u>125,656,363</u>         | <u>6,879,627</u>               |

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**NON OPERATING FUNDING SOURCES BY ACTIVITY**  
**FISCAL YEAR 2027**  
**SECTION 9.02**

|                                                    | <b>TDA<br/>Article 8.0</b> | <b>STA<br/>Formula</b> | <b>TIRCP</b>      | <b>Medical</b> | <b>TransNet<br/>Operating</b> | <b>TransNet<br/>Access ADA</b> | <b>TransNet<br/>Other</b> |
|----------------------------------------------------|----------------------------|------------------------|-------------------|----------------|-------------------------------|--------------------------------|---------------------------|
| SDTC                                               | -                          | 11,300,000             | 18,301,806        | -              | 27,515,505                    | -                              | 17,970,250                |
| SDTI                                               | -                          | -                      | 9,667,003         | -              | 14,337,726                    | -                              | 11,611,137                |
| MCS 801 - South Central                            | -                          | -                      | 9,502,802         | -              | -                             | -                              | -                         |
| MCS 802 - South Bay BRT                            | -                          | -                      | -                 | -              | -                             | -                              | 5,799,769                 |
| MCS 803 - South Bay Iris Rapid                     | -                          | -                      | 3,700,593         | -              | -                             | -                              | -                         |
| MCS 820 - East County                              | -                          | -                      | 2,725,801         | -              | -                             | -                              | -                         |
| MCS 825 - Rural                                    | -                          | -                      | -                 | -              | -                             | -                              | -                         |
| MCS 830 - Commuter Express                         | 559,173                    | -                      | -                 | -              | -                             | -                              | -                         |
| MCS 835 - Central Routes 961-965                   | -                          | -                      | 1,168,200         | -              | -                             | -                              | -                         |
| MCS 840 - Regional Transit Center Maintenance      | -                          | -                      | -                 | -              | -                             | -                              | -                         |
| MCS 841 - Iris Rapid Transit Center Maintenance    | -                          | -                      | -                 | -              | -                             | -                              | -                         |
| MCS 845 - BRT Superloop                            | -                          | -                      | -                 | -              | -                             | -                              | 418,571                   |
| MCS 846 - I15 Transit Center Maintenance           | -                          | -                      | -                 | -              | -                             | -                              | 1,324,771                 |
| MCS 847 - Mid City Transit Center Maintenance      | -                          | -                      | -                 | -              | -                             | -                              | 334,484                   |
| MCS 848 - South Bay BRT Transit Center Maintenance | -                          | -                      | -                 | -              | -                             | -                              | 1,255,998                 |
| MCS 850 - ADA Access                               | -                          | -                      | -                 | -              | -                             | 1,256,054                      | 60,000                    |
| MCS 856 - ADA Certification                        | -                          | -                      | -                 | -              | -                             | -                              | -                         |
| Coronado Ferry                                     | 336,871                    | -                      | -                 | -              | -                             | -                              | -                         |
| Administrative Pass Thru                           | -                          | -                      | -                 | -              | -                             | -                              | -                         |
| Subtotal Operations                                | 896,044                    | 11,300,000             | 45,066,205        | -              | 41,853,231                    | 1,256,054                      | 38,774,979                |
| FHV Administration                                 | -                          | -                      | -                 | -              | -                             | -                              | -                         |
| SD&AE                                              | -                          | -                      | -                 | -              | -                             | -                              | -                         |
| Subtotal Other Activities                          | -                          | -                      | -                 | -              | -                             | -                              | -                         |
| Administrative                                     | -                          | -                      | 3,500,000         | -              | -                             | -                              | 624,145                   |
| Grand Total                                        | <u>896,044</u>             | <u>11,300,000</u>      | <u>48,566,205</u> | <u>-</u>       | <u>41,853,231</u>             | <u>1,256,054</u>               | <u>39,399,125</u>         |

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
NON OPERATING FUNDING SOURCES BY ACTIVITY  
FISCAL YEAR 2027  
SECTION 9.02**

|                                                    | <u>City of<br/>San Diego</u> | <u>SANDAG<br/>FasTrak</u> | <u>Other<br/>Local</u> | <u>Reserves/<br/>Carryovers</u> | <u>Total</u>       |
|----------------------------------------------------|------------------------------|---------------------------|------------------------|---------------------------------|--------------------|
| SDTC                                               | -                            | -                         | -                      | -                               | 114,509,820        |
| SDTI                                               | -                            | -                         | -                      | -                               | 133,978,472        |
| MCS 801 - South Central                            | -                            | -                         | -                      | -                               | 47,433,017         |
| MCS 802 - South Bay BRT                            | -                            | -                         | -                      | -                               | 5,899,533          |
| MCS 803 - South Bay Iris Rapid                     | -                            | -                         | -                      | -                               | 3,700,593          |
| MCS 820 - East County                              | -                            | -                         | -                      | -                               | 15,273,872         |
| MCS 825 - Rural                                    | -                            | -                         | -                      | -                               | 1,130,148          |
| MCS 830 - Commuter Express                         | -                            | 1,000,000                 | -                      | -                               | 1,559,173          |
| MCS 835 - Central Routes 961-965                   | -                            | -                         | -                      | -                               | 5,928,673          |
| MCS 840 - Regional Transit Center Maintenance      | -                            | -                         | -                      | -                               | 770,404            |
| MCS 841 - Iris Rapid Transit Center Maintenance    | -                            | -                         | -                      | -                               | -                  |
| MCS 845 - BRT Superloop                            | -                            | -                         | -                      | -                               | 418,571            |
| MCS 846 - I15 Transit Center Maintenance           | -                            | -                         | -                      | -                               | 1,324,771          |
| MCS 847 - Mid City Transit Center Maintenance      | -                            | -                         | -                      | -                               | 334,484            |
| MCS 848 - South Bay BRT Transit Center Maintenance | -                            | -                         | -                      | -                               | 1,255,998          |
| MCS 850 - ADA Access                               | 120,000                      | -                         | -                      | -                               | 22,614,642         |
| MCS 856 - ADA Certification                        | -                            | -                         | -                      | -                               | 756,379            |
| Coronado Ferry                                     | -                            | -                         | -                      | -                               | 336,871            |
| Administrative Pass Thru                           | -                            | -                         | -                      | -                               | 530,394            |
| Subtotal Operations                                | 120,000                      | 1,000,000                 | -                      | -                               | 357,755,815        |
| FHV Administration                                 | -                            | -                         | -                      | 116,321                         | 116,321            |
| SD&AE                                              | -                            | -                         | -                      | (198,919)                       | (198,919)          |
| Subtotal Other Activities                          | -                            | -                         | -                      | (82,598)                        | (82,598)           |
| Administrative                                     | -                            | -                         | -                      | -                               | 4,624,145          |
| Grand Total                                        | <u>120,000</u>               | <u>1,000,000</u>          | <u>0</u>               | <u>(82,598)</u>                 | <u>362,297,363</u> |



# FARE CHANGES



|                             |                     | Current          | October 1, 2026 | October 1, 2027 |
|-----------------------------|---------------------|------------------|-----------------|-----------------|
| Adult Regional              | <b>One-Way</b>      | \$2.50           | \$3             | \$3.25          |
| PRONTO LIFE                 | <b>One-Way</b>      | \$2.50           | \$2.50          | \$2.50          |
| SDM/Youth* Regional         | <b>One-Way</b>      | \$1.25           | \$1.50          | \$1.50          |
| Adult Regional              | <b>Day Pass</b>     | \$6              | \$7             | \$7             |
| PRONTO LIFE                 | <b>Day Pass</b>     | \$6              | \$6             | \$6             |
| SDM/Youth* Regional         | <b>Day Pass</b>     | \$3              | \$3.50          | \$3.50          |
| Adult Regional              | <b>Month Pass</b>   | \$72             | \$85            | \$95            |
| PRONTO LIFE                 | <b>Month Pass</b>   | \$72             | \$72            | \$72            |
| SDM/Youth* Regional         | <b>Month Pass</b>   | \$23             | \$28            | \$30            |
| Adult Premium Regional      | <b>One-Way</b>      | \$5              | \$6             | \$7             |
| SDM/Youth* Premium Regional | <b>One-Way</b>      | \$2.50           | \$3             | \$3             |
| Adult Premium Regional      | <b>Day Pass</b>     | \$12             | \$14            | \$16            |
| SDM/Youth* Premium Regional | <b>Day Pass</b>     | \$6              | \$7             | \$7             |
| Adult Premium Regional      | <b>Month Pass</b>   | \$100            | \$125           | \$140           |
| SDM/Youth* Premium Regional | <b>Month Pass</b>   | \$32             | \$42            | \$45            |
| Adult Rural                 | <b>One-Way</b>      | \$8              | \$10            | \$11            |
| SDM/Youth* Rural            | <b>One-Way</b>      | \$4              | \$5             | \$5             |
| MTS Access/NCTD LIFT        | <b>One-Way Fare</b> | \$5              | \$6             | \$6.50          |
| Adult COASTER               | <b>One-Way*</b>     | \$5 - 6.50*      | \$6.50          | \$7             |
| SDM/Youth* COASTER          | <b>One-Way*</b>     | \$2.50 - \$3.25* | \$3.25          | \$3.50          |
| Adult COASTER Regional      | <b>Day Pass</b>     | \$15             | \$15            | \$17            |
| SDM/Youth* COASTER Regional | <b>Day Pass</b>     | \$7.50           | \$7.50          | \$8.50          |
| Adult COASTER Regional      | <b>Month Pass*</b>  | \$140 - 182*     | \$185           | \$190           |
| SDM/Youth* COASTER Regional | <b>Month Pass</b>   | \$58             | \$60            | \$70            |
| Adult FLEX                  | <b>One-Way</b>      | \$5              | \$6             | \$6.50          |
| SDM/Youth* FLEX             | <b>One-Way</b>      | \$2.50           | \$3             | \$3             |
| Adult SPRINTER/BREEZE       | <b>Month Pass†</b>  | \$59             | \$65            | \$70            |
| SDM/Youth* SPRINTER/BREEZE  | <b>Month Pass†</b>  | \$19             | \$20            | \$23            |

## Footnotes:

SDM riders are seniors, people with disabilities, and Medicare recipients who qualify for reduced fares through a verification process.

Regional includes: SPRINTER, BREEZE, MTS Bus, MTS Trolley, MTS Rapid.

Premium Regional includes: SPRINTER, BREEZE, FLEX, MTS Bus, MTS Trolley, MTS Rapid, MTS Rapid Express, MTS Rural.

COASTER Regional includes: COASTER, SPRINTER, BREEZE, FLEX, MTS Bus, MTS Trolley, MTS Rapid, MTS Rapid Express, MTS Rural.

\* Using a PRONTO Youth Opportunity Pass, anyone 18 and under can take unlimited rides on the bus, Trolley, COASTER, and SPRINTER for free.

\* COASTER currently has a 3-zone fare system for these fares. With the approved changes, riders will be charged the same fare regardless of distance.

† Pass only valid on SPRINTER and BREEZE.

PRONTO LIFE is a new reduced fare available on the PRONTO fare collection system (physical or virtual card) for actively enrolled CalFresh, Medi-Cal, or CalWORKs. Visit sdmts.com or gonctd.org for more information.

Discounted Post-Secondary Institution and Group Passes, Classroom Day Passes, Juror Day Passes, Advance Purchase Group Day Pass Sales, Round Trip Tickets, and Multi-Trip Ticket Packs are available to eligible entities as defined in the proposed amendment to the Comprehensive Fare Ordinance.





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# Transit Revenue & Asset Development Strategy (2027-2037)



## Executive Summary

MTS has successfully grown non-fare revenue from approximately **\$5 million in FY2013 to \$29 million in FY2027 (projected)**, driven by advertising, naming rights, property activations, energy credits, and real estate partnerships.

However, projected operating deficits approaching **\$90 million between FY2029-FY2030** require a more comprehensive, institutionalized approach to non-fare revenue generation.

This plan recommends creating a dedicated MTS Transit Revenue & Asset Development Strategy modeled after leading agencies such as NJ TRANSIT, WMATA, BART, and LA Metro that systematically monetize:

- **Pillar 1: Transit-Oriented Development & Real Estate**
- **Pillar 2: Advertising & Media Network**
- **Pillar 3: Naming Rights & Sponsorships**
- **Pillar 4: Telecommunications & Digital Infrastructure**
- **Pillar 5: Retail & Concessions**
- **Pillar 6: Event & Tourism Revenue**
- **Pillar 7: Billboard Advertising Growth Strategy**
- **Pillar 8: Energy & Sustainability Revenue**
- **Pillar 9: Land Value Capture & Right-of-Way Value Creation**

## Strategic Goal

Increase annual non-fare revenue from approximately **\$29 million today to \$49-\$69 million annually by 2037**, driven by real estate development, advertising, public-private partnerships, and land value capture initiatives.

## Revenue Estimate Disclaimer

The revenue projections presented in this strategy are preliminary planning estimates intended to illustrate the potential magnitude of opportunity available to MTS through a growing non-fare revenue program. Actual revenues may vary significantly based on market conditions, development timelines, regulatory requirements, and the availability of internal resources to implement individual initiatives. Over the next 12 to 24 months, additional research, market analyses, feasibility studies, asset inventories, financial modeling, and stakeholder engagement will be required to further refine and validate these estimates.

In addition, the successful implementation of several initiatives may depend on future Board policy decisions, amendments to existing MTS policies, partnerships with local jurisdictions, and, in some cases, the approval of enabling state legislation or regulatory changes. Revenue opportunities such as land value capture, tax increment financing, assessment districts, and certain real estate or telecommunications initiatives may require legislative authority, policy modifications, or interagency agreements before they can be fully realized.

These estimates were developed using a combination of current MTS revenue performance, known asset inventories, existing non-fare revenue programs, prevailing market conditions, industry benchmarks, and revenue-generating practices employed by peer transit agencies throughout the United States. As planning efforts advance and additional data becomes available, revenue assumptions will be updated to reflect more detailed implementation strategies, market realities, and organizational priorities. The figures presented in this report should therefore be viewed as planning-level estimates rather than guaranteed revenue targets.

# Strategic Revenue Pillars

## Pillar 1: Transit-Oriented Development

MTS owns strategically located land throughout the region that represents one of its most valuable assets. By advancing transit-oriented development (TOD) via long-term ground leases, and creating a formal development opportunity portfolio, MTS can generate recurring direct and indirect revenue while supporting regional housing, economic development, and sustainability goals. The greatest value of MTS' TOD program is indirect revenue from new ridership via site activation. By retaining ownership of public land MTS can capture long-term financial value from private investment.

### Current Position

MTS's TOD program currently brings in approximately \$1.3M in revenue to MTS per year. MTS currently has:

- 7 completed TOD projects
- 2 projects under construction
- 6 projects under negotiation
- 8 future opportunity sites

### Recommended Approach

Rather than taking passive approach to marketing MTS TOD opportunities, MTS can engage a consultant to perform pre-development analysis which would allow MTS to put forward an attractive request for proposal to the development community.

### “MTS Development Opportunity Portfolio”

This document would better showcase MTS properties and identify every developable property in the system and classify assets by:

#### Tier 1 Development Properties

Assets:

- El Cajon Transit Center
- Euclid Transit Center
- 12th & Imperial Transit Center
- Massachusetts Station
- 70th Street
- Amaya Drive

Potential:

- Mixed-use housing & Retail
- Office
- Entertainment
- Hotel
- Data Centers

### Targets

- \$5-8 million annual ground lease revenue by 2037
- Retain long-term public ownership of land
- Consider MTS Board Policy 18 modifications to increase value
- Double ridership and fare revenue at each location via TOD activation

## Pillar 2: Advertising & Media Network

MTS has successfully built a strong advertising program, but significant opportunities remain to transform the transit system into a regional media platform. Expanding digital displays, station advertising, vehicle wraps, smart shelters, and large-format digital wayfinding signs will create new recurring revenue streams while providing advertisers access to millions of annual rider and visitor impressions across San Diego County.

### Current Revenue

Advertising currently generates approximately \$8.9 million annually.

The existing system includes:

- Trolley wraps
- Bus wraps ads
- Bus shelter advertising
- Bus Bench advertising
- Digital information boards
- Station signage

### Recommended Expansion

#### Create “MTS Media”

Transform advertising into a more comprehensive media business.

#### Digital Screens

Expand:

- Trolley stations
- Transit centers
- Downtown kiosks

#### Shelter and Bus Network Growth

Expand:

- 200 shelters
- 350 benches

Target: **\$2 - \$3 million additional annual revenue**

### Pillar 3: Naming Rights & Sponsorships

The success of partnerships such as the UC San Diego Blue Line, Union Grantville Transit Center and UC San Diego East Campus Medical Center Station demonstrates the viability for line and station sponsorship opportunities. By advancing a formal sponsorship strategy for transit lines, stations, mobility services, and special events, MTS can create long-term partnerships that generate revenue, strengthen community relationships, and support system improvements without increasing costs to riders.

#### Existing Successes

Currently name rights partnerships generate approximately \$1.5 million per year.

Examples include:

- UC San Diego Blue Line
- Union Granville Transit Center
- UC San Diego East Campus Medical Center Trolley Station

#### New Opportunities

##### Premium Transit Assets

| Asset           | Annual Potential |
|-----------------|------------------|
| Green Line      | \$875K-\$975K    |
| Orange Line     | \$750K-\$850K    |
| Copper Line     | \$275K-\$350K    |
| Rapid Routes    | \$225K-\$310K    |
| Stadium Station | \$140K-\$170K    |
| 12th & Imperial | \$140K-\$170K    |

#### Sponsorship Platform

Potential Partners:

- Mission Fed
- Qualcomm
- Kaiser Permanente
- Sharp HealthCare
- Rady Children's
- SDG&E
- USAA
- Navy Federal
- Petco

Target: **\$3-\$5 million additional annual revenue**

## Pillar 4: Telecommunications & Digital Infrastructure

The growing demand for digital connectivity presents a significant opportunity for MTS to monetize its property and rights-of-way. Fiber corridor leasing, 5G small-cell deployments, distributed antenna systems, and telecommunications infrastructure agreements can provide stable, long-term revenue while supporting the region's technological growth and improving connectivity for transit customers.

### New Revenue Category

Expand revenue opportunities with telecom infrastructure.

### Opportunities

#### Fiber Leasing

MTS' long linear right of way corridors present a unique opportunity for fiber optic companies. MTS' right of way and property touch the U.S. and Mexico border at San Ysidro and Tecate allowing for valuable international crossing locations. MTS' can provide a connection from San Ysidro to Downtown San Diego, El Cajon, Santee, and Sorrento Valley. MTS' right of ways can be leased with minimal disruption to transit operations and no MTS capital investment.

MTS has one active fiber optic corridor lease with a value of \$216K/year.

#### Small Cells

Install:

- 5G nodes
- DAS systems
- Telecommunications cabinets

#### Cell Towers

MTS has two active cell tower leases totaling ~\$103K/yr.

Utilize:

- Park-and-ride lots
- Maintenance facilities
- Rights-of-way

Target: **\$1-\$3 million additional annual revenue**

This category is currently underdeveloped but already identified by MTS as an opportunity.

## Pillar 5: Retail & Concessions

Transit stations are more than transportation facilities; they are community destinations and activity centers. Expanding retail offerings, food and beverage services, vending programs, package lockers, and mobility-related services will improve the rider experience while generating additional revenue from existing station assets. A modern retail strategy can transform stations into vibrant hubs that better serve passengers and surrounding neighborhoods.

### Current Position

MTS currently has:

- 17 concession vendors
- Multiple station activations
- Master concession agreement generating approximately \$1.3 million annually.

### Recommended Program

#### Transit Marketplace Strategy

Deploy:

- Coffee kiosks
- Grab-and-go food
- Micro-retail
- Mobile vendors
- Bike services
- Package lockers

Priority Locations:

- 12th & Imperial
- UTC
- Iris Avenue

Target: **\$2-\$4 million additional annual revenue**



## Pillar 6: Event & Tourism Revenue

San Diego hosts some of the nation's largest conventions, sporting events, and entertainment attractions. MTS is uniquely positioned to capitalize on these activities through event transportation partnerships, bulk pass programs, sponsorship agreements, and integrated marketing campaigns. Leveraging regional events such as Comic-Con, professional sports, major concerts, and future international events will generate new revenue while increasing transit visibility and ridership.

### Anchor Events

- Comic-Con
- Padres
- San Diego FC
- Wave FC
- SDSU Athletics
- Holiday Bowl
- Olympics 2028
- Major conventions

### Recommended Strategy

Create an: **“Event Mobility Partnership Program”**

Packages include:

- Sponsored transit passes
- Event branding
- Station takeovers
- Digital advertising

Target: **\$1-\$2 million additional annual revenue**



## Pillar 7: Billboard Advertising Growth Strategy

MTS owns and controls highly visible transportation corridors, station areas, maintenance facilities, and rights-of-way that represent significant opportunities for expanding billboard and large-format advertising revenue. Recent billboard lease renegotiations have demonstrated the substantial market value of MTS advertising assets, with annual rents increasing significantly after contracts were updated. By strategically expanding, modernizing, and digitizing its billboard portfolio, MTS can create one of the agency's most scalable non-fare revenue streams.

Unlike many revenue initiatives that require substantial operational investment, billboard advertising generates recurring revenue through long-term lease agreements while leveraging assets MTS already owns and controls. A comprehensive billboard strategy can transform underutilized real estate into high-performing advertising assets that provide stable revenue growth for decades.

### Current Position

MTS currently benefits from:

- 14 billboards located on MTS and SD&AE property
- Recently renegotiated contracts that significantly increased annual lease revenue
- Existing relationships with major outdoor advertising operators
- Transit corridors with high visibility and strong advertiser demand

### Strategic Opportunities

#### Expand Digital Billboard Inventory

Develop new large-format digital billboard locations along:

- SR-52 corridor
- Mid-Coast Extension corridor
- South Bay corridors
- Freight rail and trolley rights-of-way
- Maintenance facility properties

These locations provide visibility to thousands of daily drivers and transit riders while maximizing value from existing MTS-owned land.

#### Convert Static Billboards to Digital

Where zoning and permitting allow, convert existing static billboard inventory to digital displays.

Benefits include:

- 2x to 3x higher lease value
- Multiple advertisers per face
- Dynamic content capabilities
- Real-time event and public information messaging

### Explore Emerging Advertising Technologies

Evaluate opportunities for:

- Large-format LED walls
- Station gateway signage
- Dynamic event sponsorship displays
- Programmatic outdoor advertising platforms
- Interactive digital advertising assets

Target: **\$2 - \$5 million additional annual revenue**

## Pillar 8: Energy & Sustainability Revenue

As MTS continues to lead in sustainable transportation, it can further leverage clean energy and environmental initiatives to create new revenue streams. Opportunities include solar partnerships, battery storage projects, electric vehicle charging concessions, carbon credit programs, and utility incentive agreements. These initiatives align financial performance with environmental stewardship and support the agency's broader sustainability objectives.

Expand through:

- Battery storage partnerships
- Solar leasing
- EV charging concessions
- Carbon credit monetization
- Utility partnerships

Target: **\$1 - \$4 million additional annual revenue**

## Pillar 9: Land Value Capture & Right-of-Way Value Creation

MTS investments in transit infrastructure create significant economic value for surrounding properties through improved accessibility, increased development potential, and enhanced mobility. However, much of this value accrues solely to adjacent landowners rather than helping sustain the transit network that created it. A strategic Land Value Capture program would allow MTS to share in the value generated by its investments by leveraging rights-of-way, station areas, and development corridors to create new recurring revenue streams.

By implementing innovative financing and value capture tools, MTS can convert transit-induced property value appreciation into funding for operations, capital improvements, and future system expansion. These strategies can complement traditional transit-oriented development efforts and provide long-term revenue without increasing fares or reducing service.

### Key Opportunities

#### Station Area Value Capture Districts

Establish special assessment or benefit districts around high-value station areas where property owners contribute to transit investments that increase property values and economic activity.

Priority Areas:

- UTC / University City
- Nobel Drive
- Stadium Station
- Grantville
- Downtown San Diego
- Chula Vista transit corridors

#### Joint Development Air Rights

Monetize air rights over stations, parking facilities, and transit infrastructure through partnerships that allow residential, office, hospitality, or mixed-use development above transit assets.

## **Right-of-Way Commercial Partnerships**

Leverage MTS-owned rights-of-way for compatible commercial activities that generate recurring lease revenue.

Examples:

- Utility corridors
- Telecommunications infrastructure
- Digital advertising installations
- Solar energy and battery charging installations
- Mobility and logistics facilities

## **Tax Increment and Enhanced Infrastructure Financing Districts**

Partner with local jurisdictions to explore mechanisms that dedicate a portion of future property tax growth associated with transit investments toward transit infrastructure and service improvements.

## **Parking Asset Redevelopment**

Redevelop underutilized park-and-ride facilities into mixed-use developments while maintaining transit access and generating lease revenue.

Target: **\$3 - \$10 million additional annual revenue**

## **Revenue Potential**

### **Strategic Benefit**

Land value capture creates a direct connection between transit investment and financial return. As MTS expands service and improves transit accessibility, the agency can participate in the economic value it helps create. Over time, this approach can become one of the most significant long-term revenue sources in the MTS portfolio, supporting financial sustainability while encouraging transit-oriented growth throughout the San Diego region.

## Organizational Recommendation

### Establish a Tiger Team

Small, cross-functional group of internal experts to address non-fare revenue growth

#### Characteristics:

**Mission-focused:** Formed around non-fare revenue growth.

**Cross-functional:** Includes members from different departments (e.g., Finance, IT, Marketing, Real Estate, Operations, etc.).

**Temporary:** Exists only until the growth strategy is developed and implemented (est. 1-2 years)

**Empowered:** Given authority to make decisions and remove obstacles.

**Fast-moving:** Operates with urgency and short decision cycles.

#### Responsibilities

- Real estate development
- Asset inventory
- Sponsorship sales
- Telecommunications leasing
- Retail strategy
- Property activation
- Advertising oversight

#### Key Deliverables

##### Annual Asset Opportunity Report

Equivalent to NJ TRANSIT's Real Estate Opportunity Report.

Should include:

- Station area opportunities
- TOD sites
- Air rights
- Real estate redevelopment
- Retail opportunities
- Telecom opportunities
- Development pipeline

##### Develop Annual Revenue Scorecard

Track:

- Revenue by category
- Asset performance
- New agreements
- ROI

## Ten-Year Revenue Potential

| Revenue Category                     | Additional Annual Revenue Potential |
|--------------------------------------|-------------------------------------|
| TOD & Ground Leases                  | \$5M-\$8M                           |
| Advertising, Media & Billboards      | \$4M-\$8M                           |
| Naming Rights & Sponsorships         | \$3M-\$5M                           |
| Telecommunications/Fiber             | \$1M-\$3M                           |
| Retail & Concessions                 | \$2M-\$4M                           |
| Events & Tourism                     | \$1M-\$2M                           |
| Energy Programs                      | \$1M-\$4M                           |
| Land Value Capture & ROW Development | \$3M-\$10M                          |
| <b>Total Potential</b>               | <b>\$20M-\$40M</b>                  |

### Outcome

By combining current non-fare revenue of approximately **\$29 million annually** with the initiatives outlined in this strategy, MTS could potentially achieve **\$49 million to \$69 million annually in recurring non-fare revenue over the next decade**. This represents a significant increase in financial self-sufficiency while supporting transit-oriented development, enhancing the customer experience, reducing dependence on fare increases, and creating a more resilient long-term funding model. The addition of land value capture strategies provides a particularly powerful opportunity for MTS to participate in the economic value created by transit investments and convert that value into sustainable funding for operations and future system improvements.



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Item No. 4, 09/03/2026

# FY 2027 Operating Budget Amendment

## Executive Committee

# Fiscal Year 2027 Operating Budget Budget Amendment

- Amending the Operating budget to incorporate fare changes approved by SANDAG
  - Fare ordinance changes approved on July 24th
  - Changes will be effective October 1st
- SANDAG fare model estimates of fare change impacts (based on FY 2025 data):
  - Increase in average fare of 10.5%
  - 1.8M lost passenger trips
  - \$9M annualized revenue increase
- Board approved Fare Freeze Program (PRONTO LIFE) for eligible low-income riders enrolled in CalFresh, Medi-Cal and CalWorks
  - Maintain current fare levels for eligible participants
  - Limit eligibility to riders not already served through existing MTS reduced-fare programs
  - Implementation under way
- PRONTO LIFE impact estimates
  - Eligible transit pass holders that would qualify for the fare freeze program: 34,000
  - \$5.3M reduction in annual revenues from SANDAG projection

# Fiscal Year 2027 Operating Budget Budget Amendment

- Representation of Annualized / Fiscal Year impact of original and updated scenarios

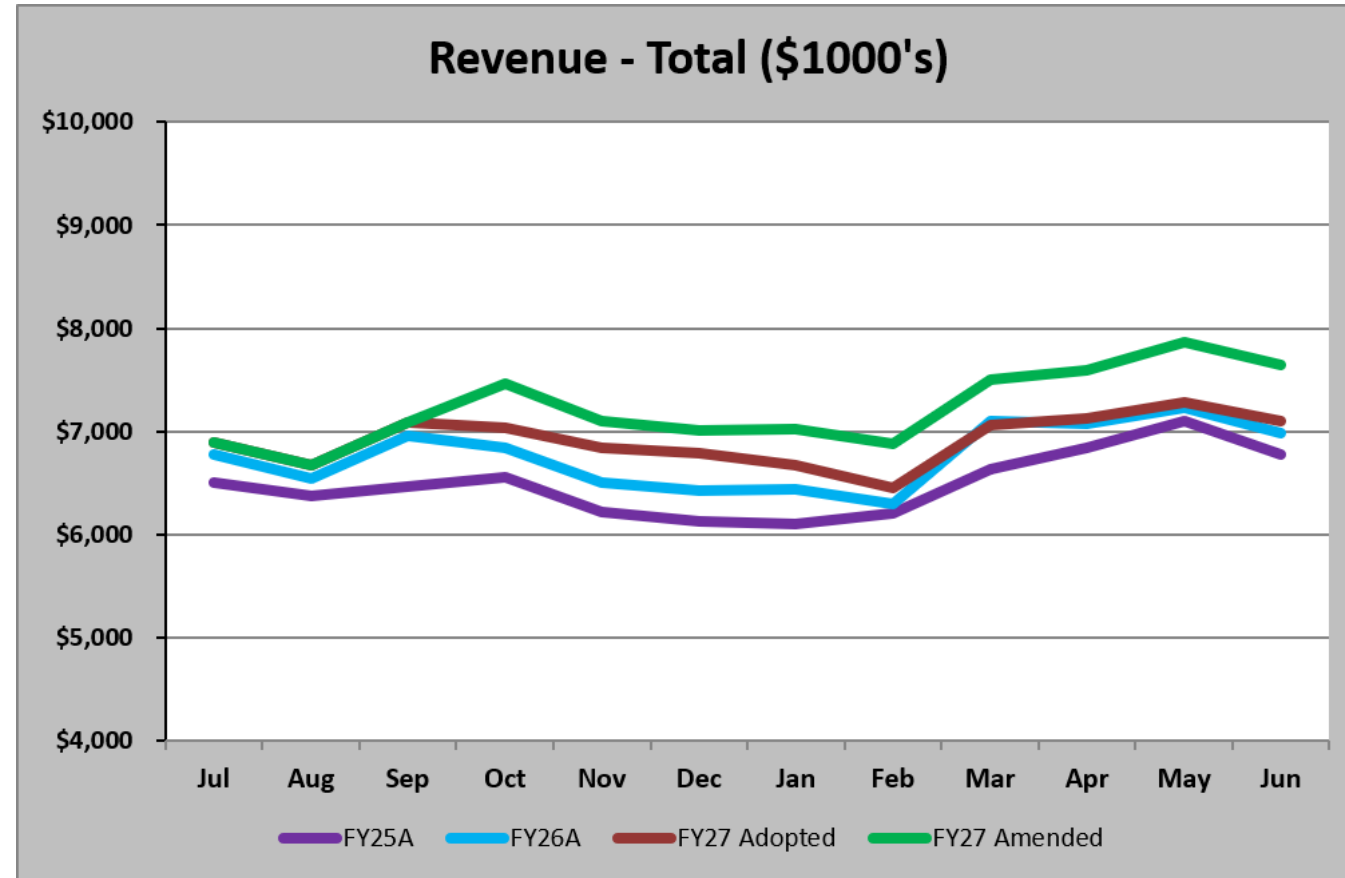
|                                  | Revenue    |                  | Passengers |                  |
|----------------------------------|------------|------------------|------------|------------------|
|                                  | Annualized | Fiscal Year 2027 | Annualized | Fiscal Year 2027 |
| SANDAG Revenue Impact (Original) | \$ 9,000   | \$ 6,800         | (1,800)    | (1,350)          |
| PRONTO LIFE Original Estimate    | \$ 3,700   | \$ 2,775         | (1,800)    | (1,350)          |
| Updated Ridership Impact         | \$ 4,600   | \$ 3,698         | (900)      | (712)            |



# Fiscal Year 2027 Operating Budget

## Revenue Assumptions - Passenger Fare Revenue

- Fare revenue forecast
  - Ridership
    - Revised forecast of 1.4% growth over actual FY 2026 ridership
      - Assumed 83.1M in adopted budget
      - Applied -0.7M (-0.9%) reduction to baseline due to fare increase (fare increase effective 10/1/26)
    - 82.4M passengers projected
  - Average Fare
    - Assuming \$1.05 for FY 2027
      - \$0.05 (5.3%) increase over FY 2026
  - Passenger Revenue
    - \$86.7M projected
    - \$3.7M (4.5%) increase over FY 2027 approved budget



# Fiscal Year 2027 Operating Budget

## Consolidated Revenues less Expenses (\$000s)

|                                 | FY 2027<br>Adopted | FY 2027<br>Amended | Change          |
|---------------------------------|--------------------|--------------------|-----------------|
| Operating Revenues              | \$ 116,504         | \$ 120,202         | \$ 3,698        |
| Recurring Subsidy               | 263,814            | 263,814            | -               |
| <b>Total Recurring Revenues</b> | <b>\$ 380,318</b>  | <b>\$ 384,016</b>  | <b>\$ 3,698</b> |
| <b>Total Expenses</b>           | <b>482,500</b>     | <b>482,500</b>     | <b>\$ -</b>     |
| <b>Structural Deficit</b>       | <b>\$(102,182)</b> | <b>\$ (98,484)</b> | <b>\$ 3,698</b> |
| Reserves                        | (83)               | (83)               | -               |
| Shift TDA from Capital          | 50,000             | 50,000             | -               |
| SB-125 Funding                  | 52,264             | 48,566             | (3,698)         |
| <b>Revenues Less Expenses</b>   | <b>\$ -</b>        | <b>\$ -</b>        | <b>\$ -</b>     |
| <b>Passengers</b>               | <b>83,096</b>      | <b>82,384</b>      | <b>(712)</b>    |

- Structural deficit reduced to from \$102.2M to \$98.5M for FY 2027
- SB125 funding is balancing mechanism until depleted

# Fiscal Year 2027 Operating Budget

## Preliminary 5-year Forecast

|                                 | FY 2027<br>Budget  | FY 2028<br>Projected | FY 2029<br>Projected | FY 2030<br>Projected | FY 2031<br>Projected |
|---------------------------------|--------------------|----------------------|----------------------|----------------------|----------------------|
| Operating Revenues              | \$ 120,202         | \$ 122,518           | \$ 124,084           | \$ 126,105           | \$ 128,360           |
| Recurring Subsidy               | 263,814            | 269,435              | 275,145              | 280,867              | 286,603              |
| <b>Total Recurring Revenues</b> | <b>\$ 384,016</b>  | <b>\$ 391,952</b>    | <b>\$ 399,228</b>    | <b>\$ 406,973</b>    | <b>\$ 414,962</b>    |
| <b>Total Expenses</b>           | <b>482,500</b>     | <b>495,462</b>       | <b>513,736</b>       | <b>534,375</b>       | <b>556,303</b>       |
| <b>Structural Deficit</b>       | <b>\$ (98,484)</b> | <b>\$ (103,509)</b>  | <b>\$ (114,507)</b>  | <b>\$ (127,403)</b>  | <b>\$ (141,341)</b>  |
| Reserves                        | (83)               | 68                   | 134                  | 173                  | 205                  |
| Shift from Capital to Ops       | 50,000             | 50,000               | 50,000               | 50,000               | 50,000               |
| SB-125 Funding                  | 48,566             | 53,441               | 64,373               | 17,876               | -                    |
| <b>Revenues Less Expenses</b>   | <b>\$ -</b>        | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ (59,354)</b>   | <b>\$ (91,137)</b>   |

- Goal is to balance through FY 2030
  - Key FY 2029 Date: November 2028 election, ballot measure
  - Key FY 2030 Date: January 2030, begin receiving revenue from ballot measure

# Non-Fare Revenue Strategy Update



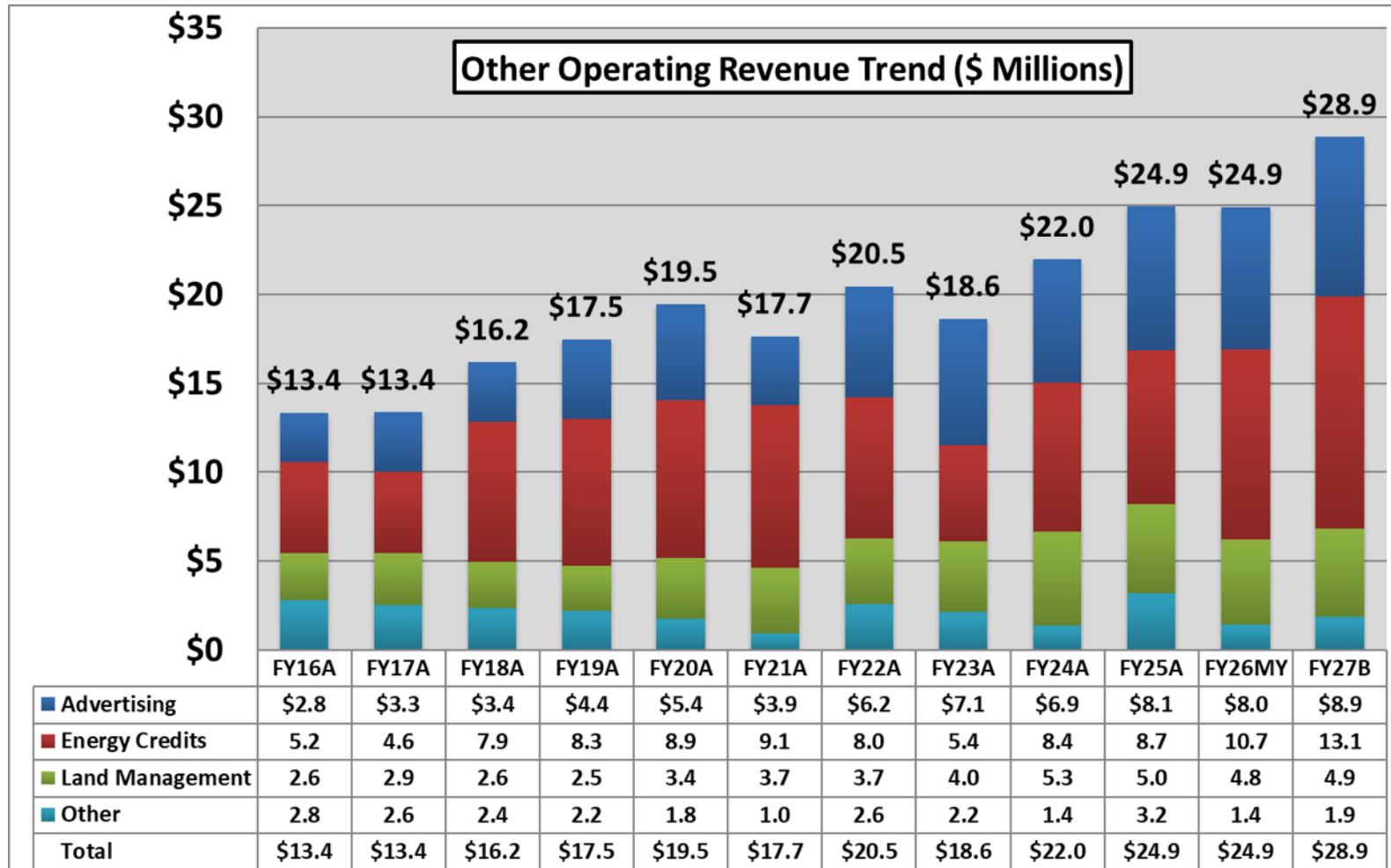
# Board Direction – June 11, 2026

- Update on non-fare revenue streams
- Progress metrics on non-fare revenue targets and timelines
- Forward-looking strategy outlining MTS initiatives MTS is actively exploring to grow non-fare revenue



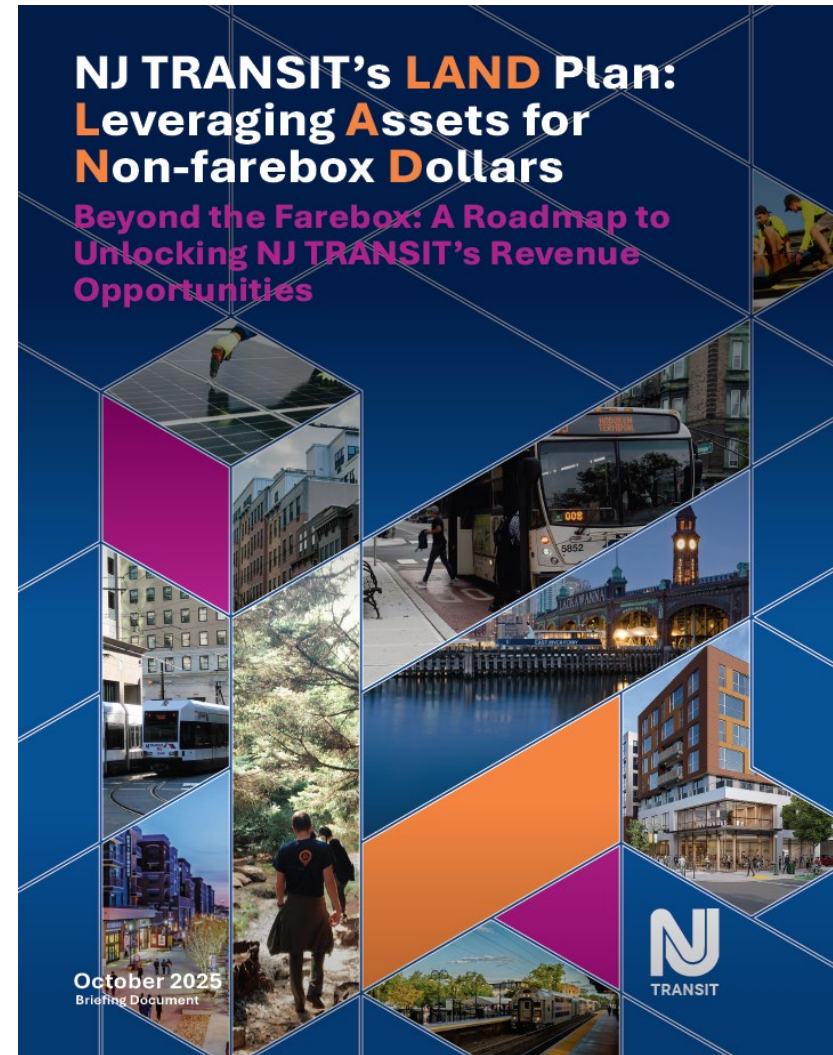
# Non-Fare Revenue Growth

- Growth of non-fare revenue
  - \$13.4 million in FY 2016
  - \$29 million in FY 2027 (projected)
- Projected operating deficit approaching \$90+ million in FY 2029-30 requires a more comprehensive, institutionalized approach to portfolio growth



# Transit Revenue & Asset Development Strategy

- Researched other agency strategies for asset development and modeling after:
  - New Jersey Transit
  - WMATA (Washington DC)
  - BART (San Francisco)
  - LA Metro (Los Angeles)



# Non-Fare Revenue Pillars

Systematically monetize:

- Pillar 1: Transit-Oriented Development & Real Estate
- Pillar 2: Advertising & Media Network
- Pillar 3: Naming Rights & Sponsorships
- Pillar 4: Telecommunications & Digital Infrastructure
- Pillar 5: Retail & Concessions
- Pillar 6: Event & Tourism Revenue
- Pillar 7: Billboard Advertising Growth Strategy
- Pillar 8: Energy & Sustainability Revenue
- Pillar 9: Land Value Capture & Right-of-Way Value Creation





# Ten-Year Revenue Growth Potential

| Revenue Category                     | Additional Annual Revenue Potential |
|--------------------------------------|-------------------------------------|
| TOD & Ground Leases                  | \$5M-\$8M                           |
| Advertising, Media & Billboards      | \$4M-\$8M                           |
| Naming Rights & Sponsorships         | \$3M-\$5M                           |
| Telecommunications/Fiber             | \$1M-\$3M                           |
| Retail & Concessions                 | \$2M-\$4M                           |
| Events & Tourism                     | \$1M-\$2M                           |
| Energy Programs                      | \$1M-\$4M                           |
| Land Value Capture & ROW Development | \$3M-\$10M                          |
| <b>Total Potential</b>               | <b>\$20M-\$40M</b>                  |

# Internal Development and Action

Establish “Tiger Teams” for each pillar

- **Mission-focused:** Formed around non-fare revenue growth.
- **Cross-functional:** Includes members from different departments (e.g., Finance, IT, Marketing, Real Estate, Operations, etc.).
- **Temporary:** Exists until the growth strategy is developed and implemented (est. 1-2 years)
- **Empowered:** Given authority to make decisions and remove obstacles.
- **Fast-moving:** Operates with urgency and short decision cycles.

## Pillar 7: Billboard Advertising Growth Strategy



Marketing



Real Estate



Capital Projects



Finance



SignValue

# Measuring Outcomes

- Annual Asset Opportunity Report
  - Report to Board of Directors
- Develop Annual Revenue Scorecard
  - Revenue by category
  - Asset performance
  - New agreements
  - ROI
- Current: **\$29M** annually
- Goal: **\$49M - \$69M** annually by 2037



# Staff Recommendation

Item No. 4, 09/03/2026

That the San Diego Metropolitan Transit System (MTS) Executive Committee forward a recommendation to the MTS Board of Directors to enact Resolution No. 26-18 (Attachment A) amending the FY 2027 operating budget for MTS, San Diego Transit Corporation (SDTC), San Diego Trolley, Inc. (SDTI), MTS Contract Services, and the Coronado Ferry.



## Board of Directors Agenda

September 17, 2026 at 9:00 a.m.

**In-Person Participation:** James R. Mills Building, 1255 Imperial Avenue, 10th Floor Board Room, San Diego CA 92101

**Teleconference Participation:** (669) 254-5252; Webinar ID: 160 280 5839, <https://www.zoomgov.com/j/1602805839>

| NO.           | ITEM SUBJECT AND DESCRIPTION                                                                                                                                                                                                                                                                                           | ACTION        |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 1.            | <b>Roll Call</b>                                                                                                                                                                                                                                                                                                       |               |
| 2.            | <b>Public Comments</b><br>This item is limited to five speakers with two 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.                                                                                   |               |
| CONSENT ITEMS |                                                                                                                                                                                                                                                                                                                        |               |
| 3.            | <b>Approval of Minutes</b><br>Action would approve the July 30, 2026 Board of Directors meeting minutes.                                                                                                                                                                                                               | Approve       |
| 4.            | <b>CEO Report</b><br>Agenda Item will be provided prior to Board Meeting.                                                                                                                                                                                                                                              | Informational |
| 5.            | <b>Purchase of Class B Paratransit Vehicles – Contract Award</b><br>Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. B0804.0-27, with Model 1 Commercial Vehicles, Inc., for the purchase of twenty-two (22) propane-powered Class B Paratransit Vehicles in the amount of \$4,885,015.52. | Approve       |
| 6.            | <b>Ultrasonic Rail Testing Services – Contract Award</b><br>Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWL469.0-26, with Smith-Emery Laboratories (Smith-Emery), for Ultrasonic Rail Testing Services for a five (5) year period, in the amount of \$379,265.00.                 | Approve       |
| 7.            | <b>Application for Volkswagen (VW) Environmental Mitigation Trust Fund Bus Replacement Program</b><br>Action would approve Resolution No. 26-14, authorizing the application for rebates of up to \$813,500 in VW Trust funds for the current and future purchase of battery electric buses.                           | Approve       |

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 multiple cities in San Diego County.



8. **Purchase of Bus Operator Uniforms – Contract Award** Approve

Action would authorize the Chief Executive Officer (CEO) to: 1) Execute MTS Doc. No. B0795.0-26, with Ace Uniforms LLC (Ace Uniforms), for the purchase of bus operator uniforms for a three (3) year base period with two (2) 1-year options, for a total of five (5) years in the amount of \$913,162.11; and 2) Exercise the option years at the CEO's discretion.
9. **California Department of Transportation (Caltrans) Program of Projects for Federal Fiscal Year (FFY) 2025 Federal Transit Administration (FTA) Section 5311 Formula Funding** Approve

Action would 1) Accept the allocation of \$273,099 in FFY 2025 Section 5311 funds for operating assistance in rural areas; and 2) Ratify Resolution No. 25-05 adopted by the Board of Directors on June 26, 2025 (Agenda Item No. 8).
10. **Strategic Growth Council (SGC) – Transformative Climate Communities (TCC) Program Round 5- Award and Project Acceptance** Approve

Action would 1) Approve Resolution No. 26-17 authorizing the Chief Executive Officer (CEO) to accept the Round 5 SGC –TCC Program Grant via the San Diego Foundation in an amount of \$1,807,400 for the 12th & Imperial Transit Center Project and Installation of a Mural; and 2) Authorize the CEO to take all actions necessary to fulfill MTS's obligations under the resolution, including, but not limited to, executing a Subaward Agreement for the grant funded portion of the project.
11. **America Plaza Pedestrian Enhancements Project – Work Order Amendment** Approve

Action would 1) Ratify Work Order Amendment No. WOA2497-CM04.02, under MTS Doc No. G2497.0-21, with Jacobs Project Management Co. (Jacobs), in the amount of \$148,868.00 for additional funding and revisions to Jacobs' personnel and classifications for construction management services; and 2) Authorize the Chief Executive Officers (CEO) to execute Work Order Amendment No. WOA2497-CM04.03, under MTS Doc No. G2497.0-21, with Jacobs, in the amount of \$49,470.72 for additional funding to provide construction management services.
12. **Assessment Repair of Light Rail Vehicle (LRV) Couplers – Sole Source Award** Approve

Action would authorize the Chief Executive Officer (CEO) to execute Purchase Order 4500073989, with Dellner, Inc. (Dellner), for the assessment and repair of five (5) LRV Couplers, in the amount of \$193,055.65.
13. **Bogie Carset Repairs – Contract Amendment** Approve

Action would authorize the Chief Executive Officer (CEO) to execute Amendment No. 1 to MTS Doc. No. L1704.0-25, with Siemens Mobility, Inc. (Siemens), for the repair of power trucks that were involved in the Light Rail Vehicles (LRV) 5027 accident, in the amount of \$876,392.10.



- |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |               |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 14. | <b>Bus Parts Supplies - Contract Amendment</b><br>Agenda Item will be provided prior to Board Meeting.                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Approve       |
| 15. | <b>Investment Report – Quarter Ending June 30, 2026</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Informational |
| 16. | <b>Fiscal Year (FY) 2025-26 and FY 2026-27 California Senate Bill (SB) 1 State of Good Repair (SGR) Funding</b><br>Action would 1) Approve the revised FY 2025-26 SB1 SGR funding to bring the total allocation to \$5,754,706 to be used for the FY 2026 Bus Procurement Project as approved in the FY 2027 Capital Improvement Program (CIP); and 2) Authorize the use of, and application for, \$6,005,661 in FY 2026-27 SB1 SGR funding to be used for the Orange Line Improvement Project - Phase 2.                                                               | Approve       |
| 17. | <b>Fiscal Year (FY) 2025-26 and FY 2026-27 State Transit Assistance (STA) Claim and STA Interest Claim</b><br>Action would approve Resolution No. 26-16 in order to: 1) Approve the revised FY 2025-26 STA funding to bring the total allocation to \$31,548,749; and; 2) Authorize the use of, and application for \$ 41,569,127 in FY 2026-27 STA funding to be used for the FY 2027 operating and capital projects.                                                                                                                                                  | Approve       |
| 18. | <b>Board Policy No. 44 (MTS Travel Expense Policy) – Policy Revision</b><br>Action would approve the proposed revisions to MTS Board Policy No. 44 (MTS Travel Expense Policy).                                                                                                                                                                                                                                                                                                                                                                                         | Approve       |
| 19. | <b>Board Policy No. 30 (Investment Policy) – Policy Revision</b><br>Action would approve and adopt the updated Board Policy No. 30 (Investment Policy).                                                                                                                                                                                                                                                                                                                                                                                                                 | Approve       |
| 20. | <b>On-Call Job Order Contracting (JOC) Railroad General Electrical, Communication, and Traffic Signal Construction Services – Contract Award</b><br>Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWL461.0-26, with HMS Construction, Inc. (HMS), for on-call railroad general electrical, communication, and traffic signal construction services, to not exceed the statutory JOC limits under Public Contract Code Section 20128.5, calculated to be in the amount of \$6,642,000.00, for one (1) year beginning October 1, 2026. | Approve       |
| 21. | <b>On-Call Job Order Contracting (JOC) Railroad Signals, Overhead Catenary Systems, and Trackwork Construction – Contract Award</b><br>Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWL462.0-26, with HMS Construction, Inc. (HMS), for on-call railroad signals, overhead catenary systems and trackwork construction, to not exceed the statutory JOC limits under Public Contract Code Section 20128.5, calculated to be in the amount of \$6,642,000.00, for one (1) year beginning October 1, 2026.                            | Approve       |

- |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |         |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| 22. | <b>Otay Mesa Transit Planning Study – Contract Award</b><br>Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G3201.0-26, with HDR Engineering, Inc. (HDR), for the Otay Mesa Transit Planning Study for a total amount of \$390,484.98.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Approve |
| 23. | <b>Beyer Blvd Pathway Beautification Construction – Contract Award</b><br>Action would authorize the Chief Executive Officer (CEO) to: 1) Execute the base bid contract to MTS Doc No. PWL471.0-26, with Weir Contracting Corporation (Weir), for the construction of the Beyer Blvd Pathway Beautification project in the amount of \$2,245,019.00; 2) Authorize the CEO to execute contract alternate No.1 to provide and install the shade structure shown in the contract documents, in the amount of \$240,000.00, bringing total expenditure authority to \$2,485,019.00; and 3) Authorize the CEO to execute change orders totaling up to 10% of the base bid and alternate, in the amount of \$248,502, bringing the total expenditure authority to \$2,733,521.00. | Approve |
| 24. | <b>Security Services – Contract Amendment</b><br>Action would authorize the Chief Executive Officer (CEO) to execute Amendment No. 9 to MTS Doc No. G2359.0-20, with Inter-Con Security Systems, Inc. (dba Inter-Con Security), to add contract capacity of \$16,597,880.00 and extend the contract for one (1) year effective January 1, 2027 to December 31, 2027.                                                                                                                                                                                                                                                                                                                                                                                                        | Approve |
| 25. | <b>43<sup>rd</sup> St. Traction Power Substation (TPSS) Replacement Alternating Current (AC) Switchgear Equipment Procurement – Sole Source Contract Award</b><br>Agenda Item will be provided prior to Board Meeting.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Approve |
| 26. | <b>Revisions to Board Policy No. 26 (Disadvantaged Business Enterprise Program)</b><br>Action would approve revisions to Board Policy No. 26 (Disadvantaged Business Enterprise Program).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Approve |
| 27. | <b>Mills Building Fire Sprinkler Repairs – Change Order</b><br>Agenda Item will be provided prior to Board Meeting.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Approve |
| 28. | <b>Kearny Mesa Transit Center (KMTTC) Redevelopment – Work Order Agreement</b><br>Agenda Item will be provided prior to Board Meeting.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Approve |
| 29. | <b>License Agreement for a Copley Park Division Digital Information Board Project</b><br>Agenda Item will be provided prior to Board Meeting.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Approve |



- |     |                                                                                                                                                                                                                                                                                                                                                                                                                                            |         |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| 30. | <b>Fiscal Year (FY) 2027 Transportation Development Act (TDA) Claim</b><br>Action would adopt Resolution Nos. 26-19, 26-20, and 26-21 approving FY 2027 TDA Article 4.0, 4.5, and 8.0 claims allocating \$137,273,612 in TDA revenues for MTS.                                                                                                                                                                                             | Adopt   |
| 31. | <b>Sale of Twelve (12) Motor Coach Industries, Inc. (MCI) 45-foot D4500 Compressed Natural Gas (CNG) Commuter Coaches</b><br>Action would authorize the Chief Executive Officer (CEO) to: 1) Negotiate the sale of twelve (12) MCI CNG buses (8500 Series); and 2) Take all actions necessary to fulfill the sale and transfer of vehicles, including executing Memorandum of Understanding (MOU) agreements for the sale of the vehicles. | Approve |
| 32. | <b>IAD &amp; KMD Fluid Distribution System Replacement – Work Order Agreement</b><br>Agenda Item will be provided prior to Board Meeting.                                                                                                                                                                                                                                                                                                  | Approve |
| 33. | <b>Overhead Catenary System (OCS) Project – Amendment 17 Scope of Work (SOW)</b><br>Agenda Item will be provided prior to Board Meeting.                                                                                                                                                                                                                                                                                                   | Approve |

#### DISCUSSION ITEMS

- |     |                                                                                                                                                                                                  |               |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 34. | <b>Fiscal Year (FY) 2027 Operating Budget Amendment (Mike Thompson)</b><br><i>Agenda Item will be provided prior to Board Meeting.</i>                                                           | Approve       |
| 35. | <b>PRONTO LIFE Update</b><br><i>Agenda Item will be provided prior to Board Meeting.</i>                                                                                                         | Informational |
| 36. | <b>Comprehensive Operational Analysis (COA) Update</b><br><i>Agenda Item will be provided prior to Board Meeting.</i>                                                                            | Informational |
| 37. | <b>Administrative Penalty Program under Public Utilities Code section 99580 for Fare Evasion and Passenger Conduct Violations</b><br><i>Agenda Item will be provided prior to Board Meeting.</i> | Approve       |

#### OTHER ITEMS

- |     |                                                                                                                                                                                                                                                                                                                         |  |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 38. | <b>Chair, Board Member and Chief Executive Officer's (CEO's) Communications</b>                                                                                                                                                                                                                                         |  |
| 39. | <b>Remainder of Public Comments Not on The Agenda</b><br>This item is a continuation of item No. 2 (Public Comment), in the event all speakers who request to comment on item No. 2 are not called. If all Public Comment is accepted during item No. 2, no additional public comment will be accepted under this item. |  |

**40. Next Meeting Date**

The next Board of Director's meeting is scheduled for October 15, 2026 at 9:00am.

**ADJOURNMENT**

**41. Adjournment**



**Metropolitan  
Transit  
System**

**DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 9/3/2026**

**Agenda Item No. 04**

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

**September 17, 2026**

**SUBJECT:**

**Chief Executive Officer's (CEO) Report**

**AGENDA ITEM WILL  
BE PROVIDED  
BEFORE BOARD  
MEETING**





**Metropolitan  
Transit  
System**

**DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 9/3/2026**

## **Agenda Item No. 05**

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

**September 17, 2026**

**SUBJECT:**

**Purchase of Class B Paratransit Vehicles – Contract Award**

**RECOMMENDATION:**

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. B0804.0-27 (in substantially the same format as Attachment A), with Model 1 Commercial Vehicles, Inc., for the purchase of twenty-two (22) propane-powered Class B Paratransit Vehicles in the amount of \$4,885,015.52.

**Budget Impact**

The total contract cost of the vehicles is estimated to be \$4,885,015.52 (Attachment B). The project will be funded by the Capital Improvement Program (CIP) 1001110101 – Americans with Disabilities Act (ADA) Bus Procurement.

**DISCUSSION:**

MTS operates Complementary Paratransit Service required by the ADA for individuals with disabilities who are unable to use fixed route transportation systems. The current fleet of vehicles consists of ninety-two (92) Ford E450 Cutaways, twenty (20) Ford T350 Cutaways, and two (2) Ford E-Transit vans. Twenty-two (22) vehicles in the current fleet have reached the end of their useful life. These vehicles will be replaced as part of the Fiscal Year (FY) 2026 Fleet Replacement Plan. This new purchase is for twenty-two (22) propane-powered Class B vehicles. The vehicle type was chosen to match to the ridership and range demands served by the current fleet.

Federal Transit Administration (FTA) Circular 4220.1G, Chapter V, Section 4, encourages federal grant recipients to use state and local intergovernmental agreements for procurements of goods and services. MTS staff identified an intergovernmental agreement that provides Paratransit vehicles that meet MTS specifications through a California State government purchasing schedule administered by the California Association of Coordinated Transportation (CalACT), RFP No. #20-01. This Purchasing Cooperative allows MTS to select vehicles from a pre-competed menu of choices from different vendors and manufacturers. The Model 1 Commercial Vehicles, Inc. proposal sets the price for each vehicle, including MTS-specified optional features, taxes, and fees, at \$222,046.16.



CalACT negotiates the purchasing collective on behalf of multiple agencies and is able to obtain pricing that cannot be obtained through single-agency procurements. This pricing is in line with prior proposals from previous procurements for Paratransit vehicles. Therefore, staff deems the costs to be fair and reasonable.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS Doc. B0804.0-27, with Model 1 Commercial Vehicles, Inc., for the purchase of twenty-two (22) propane powered Class B Paratransit Vehicles in the amount of \$4,885,015.52.

/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. MTS Draft Agreement No. B0804.0-27  
B. Cost Proposal B0804.0-27



# Metropolitan Transit System

## STANDARD AGREEMENT FOR MTS DOC. NO. B0804.0-27

### PURCHASE OF 22 CLASS B PARATRANSIT VEHICLES

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2026 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: Model 1 Commercial Vehicles, Inc.

Address: 9225 Priority Way West Dr. Suite 300

Form of Business: Corporation  
(Corporation, Partnership, Sole Proprietor, etc.)

Indianapolis Indiana 46240  
City State Zip

Email: [biddepartment@model1.com](mailto:biddepartment@model1.com)

Telephone: 888-633-8380

Authorized person to sign contracts

Jason Spore

Transit Bid Manager

Name

Title

The Contractor agrees to provide goods as specified in the conformed Scope of Work/Technical Specification (Exhibit A), Contractor's Cost/Pricing Form (Exhibit B), and in accordance with the Standard Agreement, including Standard Conditions (Exhibit C), Forms (Exhibit D).

The contract term is for two (2) years effective October 1, 2026 through September 30, 2028.

Payment terms shall be net 30 days from invoice date. The total cost of this contract shall not exceed \$4,885,015.52 (inclusive of all applicable taxes and fees) without the express written consent of MTS.

| SAN DIEGO METROPOLITAN TRANSIT SYSTEM         | MODEL 1 COMMERCIAL VEHICLES, INC |
|-----------------------------------------------|----------------------------------|
| By:<br>Sharon Cooney, Chief Executive Officer | By                               |
| Approved as to form:                          |                                  |
| By:<br>Karen Landers, General Counsel         | Title:                           |



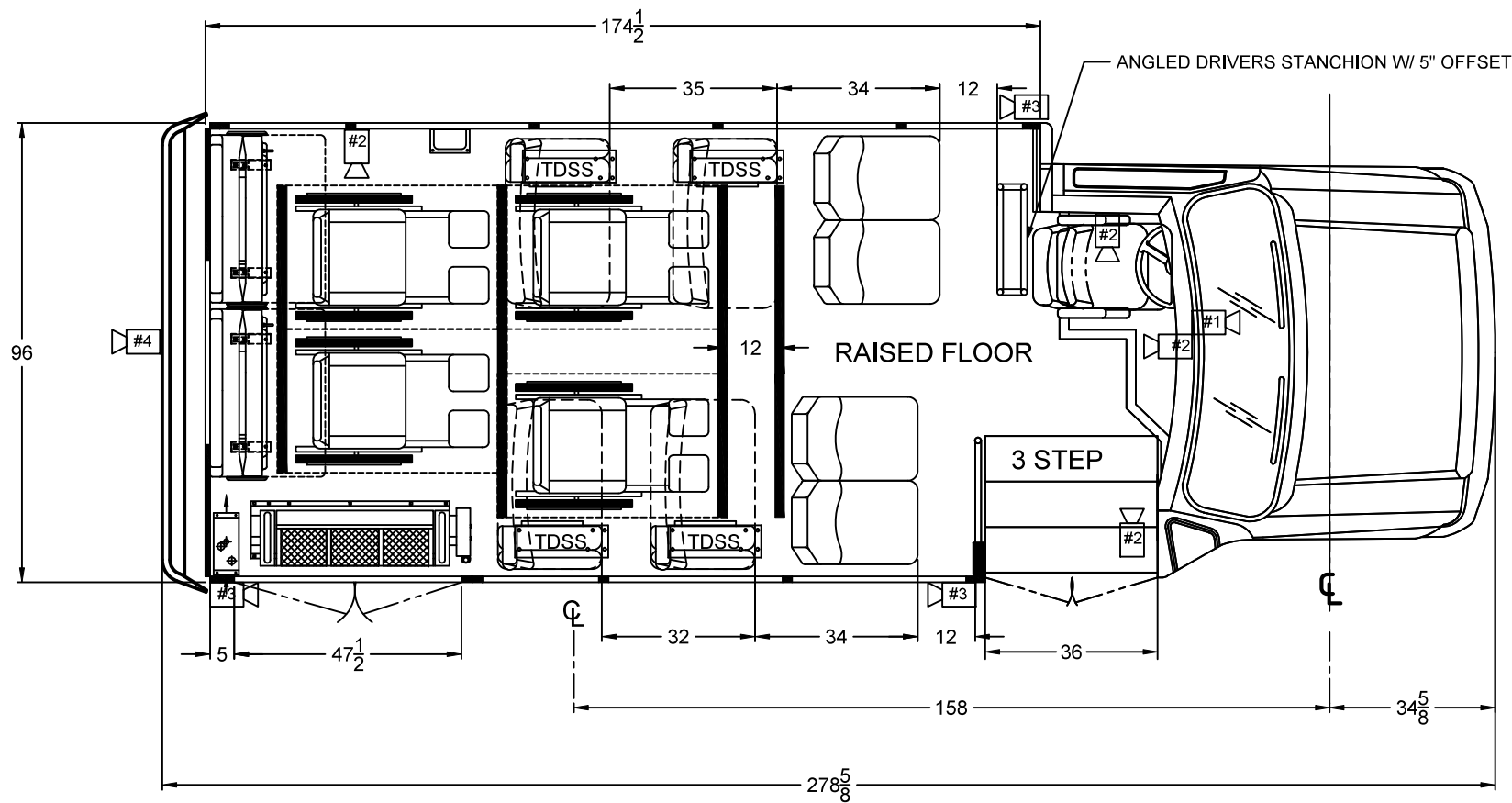


Creative Bus Sales

The Nation's Largest Bus Dealership

Att. B, Item 05, 09/17/2026

| CalACT MBTA RFP #20-01 - Class B - Quote Sheet (Rev 2025)                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                    |                       |                      |                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------|--------------------------------------------------------------------------------------------------------|
| Vehicle Type:                                                                                                                                                                                                                                                      | Class B - Starcraft Bus (Allstar)                                                                                                                                                                                                                                  |                       | Date:                | 1/30/2044                                                                                              |
| Contact:                                                                                                                                                                                                                                                           | Vassy Hycz                                                                                                                                                                                                                                                         |                       | Lift Info:           | <input checked="" type="checkbox"/> Braun <input type="checkbox"/> Front <input type="checkbox"/> Rear |
| Agency:                                                                                                                                                                                                                                                            | San Diego MTS                                                                                                                                                                                                                                                      |                       | Seat Material Level: | Level 5                                                                                                |
| Address:                                                                                                                                                                                                                                                           | 100 16th St.                                                                                                                                                                                                                                                       |                       | Seat Color:          | Docket 90 Wine                                                                                         |
| City, State, Zip:                                                                                                                                                                                                                                                  | San Diego, CA 92101                                                                                                                                                                                                                                                |                       | Flooring and Color:  | Altro Chroma TFCR27MTS                                                                                 |
| Phone:                                                                                                                                                                                                                                                             | 619-235-2648                                                                                                                                                                                                                                                       |                       | Salesperson:         | Jon Fink                                                                                               |
| E-Mail:                                                                                                                                                                                                                                                            | Vassilena.Hycz@sdmts.com                                                                                                                                                                                                                                           |                       | Salesperson Cell:    | 909-241-0424                                                                                           |
| Delivery:                                                                                                                                                                                                                                                          | 6-9 Months from Receipt of PO                                                                                                                                                                                                                                      |                       | Salesperson E-Mail:  | JFink@Model1.com                                                                                       |
| NOTE:                                                                                                                                                                                                                                                              | PER THE PURCHASING COOPERATIVE, PRICING SUBJECT TO CHANGE DUE TO PPI (PRODUCER PRICE INDEX) ESCALATION AND/OR MANUFACTURER PRICE INCREASES. PLEASE CONTACT YOUR SALES REPRESENTATIVE TO CONFIRM QUOTED PRICING IS STILL VALID PRIOR TO ISSUANCE OF PURCHASE ORDER. |                       |                      |                                                                                                        |
| Quantity:                                                                                                                                                                                                                                                          | Description                                                                                                                                                                                                                                                        | Price                 | Ext. Price           | ADA                                                                                                    |
| 1                                                                                                                                                                                                                                                                  | Starcraft Bus - Class B - (Ford E450 Propane 64G) *Subject to CARB certification*                                                                                                                                                                                  | \$144,583.00          | \$144,583.00         | \$23,414.00                                                                                            |
| Published Options                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                    |                       |                      |                                                                                                        |
| 4                                                                                                                                                                                                                                                                  | 1 - Freedman Foldaway Seat (double)                                                                                                                                                                                                                                | \$2,337.00            | \$9,348.00           | \$9,348.00                                                                                             |
| 2                                                                                                                                                                                                                                                                  | 2 - 34"-36" Freedman Flip Seat (featherweight)                                                                                                                                                                                                                     | \$1,885.00            | \$3,770.00           | \$3,770.00                                                                                             |
| 8                                                                                                                                                                                                                                                                  | 9 - Credit for seat delete                                                                                                                                                                                                                                         | -\$135.00             | -\$1,080.00          |                                                                                                        |
| 1                                                                                                                                                                                                                                                                  | 10 - Recaro SHS Drivers Seat (If not standard)                                                                                                                                                                                                                     | \$1,338.00            | \$1,338.00           |                                                                                                        |
| 1                                                                                                                                                                                                                                                                  | 25 - Raised Flat Floor - (3 Step Entry)                                                                                                                                                                                                                            | \$598.00              | \$598.00             | \$598.00                                                                                               |
| 2                                                                                                                                                                                                                                                                  | 28 - Additional Mobility Aid position 8100's (w/tie downs)                                                                                                                                                                                                         | \$796.00              | \$1,592.00           | \$1,592.00                                                                                             |
| 4                                                                                                                                                                                                                                                                  | 31 - Qstraint Deluxe (8100) credit per set of 4                                                                                                                                                                                                                    | -\$113.00             | -\$452.00            |                                                                                                        |
| 6                                                                                                                                                                                                                                                                  | 37 - Full Length Track (Floor) (Per Foot)                                                                                                                                                                                                                          | \$34.00               | \$204.00             | \$204.00                                                                                               |
| 1                                                                                                                                                                                                                                                                  | 42 - Lift Pad Cover                                                                                                                                                                                                                                                | \$339.00              | \$339.00             | \$339.00                                                                                               |
| 1                                                                                                                                                                                                                                                                  | 47 - 2-Way radio prep                                                                                                                                                                                                                                              | \$192.00              | \$192.00             |                                                                                                        |
| 1                                                                                                                                                                                                                                                                  | 64 - Telma Driveline Brake Retarder                                                                                                                                                                                                                                | \$10,562.00           | \$10,562.00          |                                                                                                        |
| 1                                                                                                                                                                                                                                                                  | 84 - Roof Vent (SafeFleet)                                                                                                                                                                                                                                         | \$350.00              | \$350.00             |                                                                                                        |
| 1                                                                                                                                                                                                                                                                  | 99 - Amerex Fire Suppression w/Methane Detection                                                                                                                                                                                                                   | \$8,078.00            | \$8,078.00           |                                                                                                        |
| 1                                                                                                                                                                                                                                                                  | 102 - Rear Backup Camera and Monitor                                                                                                                                                                                                                               | Standard              | Standard             |                                                                                                        |
| 1                                                                                                                                                                                                                                                                  | 123 - Delivery Zone 1                                                                                                                                                                                                                                              | \$903.00              | \$903.00             |                                                                                                        |
| Non-Published Options                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                    |                       |                      |                                                                                                        |
| 1                                                                                                                                                                                                                                                                  | Chassis Keyed Alike                                                                                                                                                                                                                                                | \$420.00              | \$420.00             |                                                                                                        |
| 3                                                                                                                                                                                                                                                                  | Altro T36T Aluminum step edging w/yellow insert (Each)                                                                                                                                                                                                             | \$50.00               | \$150.00             |                                                                                                        |
| 1                                                                                                                                                                                                                                                                  | Wheelchair Loop Compartment Under Flip Seats on Rear Wall                                                                                                                                                                                                          | \$695.00              | \$695.00             | \$695                                                                                                  |
| 1                                                                                                                                                                                                                                                                  | Storage Compartment (Front bulkhead carpeted and vented)                                                                                                                                                                                                           | \$375.00              | \$375.00             |                                                                                                        |
| 1                                                                                                                                                                                                                                                                  | "Tower" Hot Water Heater 60K BTU                                                                                                                                                                                                                                   | \$510.00              | \$510.00             |                                                                                                        |
| 1                                                                                                                                                                                                                                                                  | Luminator RoadRunner Pro MDVR Per Attached Specifications                                                                                                                                                                                                          | \$17,165.00           | \$17,165.00          |                                                                                                        |
| 1                                                                                                                                                                                                                                                                  | Slanted Driver's Modesty Panel for Additional Driver Space                                                                                                                                                                                                         | \$300.00              | \$300.00             |                                                                                                        |
| 1                                                                                                                                                                                                                                                                  | No Tool Box / First Aid Kit / Blood Borne Kit Credit                                                                                                                                                                                                               | -\$200.00             | -\$200.00            |                                                                                                        |
| 1                                                                                                                                                                                                                                                                  | Paint and Decal                                                                                                                                                                                                                                                    | \$7,000.00            | \$7,000.00           |                                                                                                        |
| 1                                                                                                                                                                                                                                                                  | Locate Two Batteries to Stainless Steel Tray (No Battery Under Hood)                                                                                                                                                                                               | \$295.00              | \$295.00             |                                                                                                        |
| 1                                                                                                                                                                                                                                                                  | POWER DISTRIBUTION CENTER, 5 BATTERY HOT, 5 IGNITION HOT, 6 GROUNDS LOCATION IN ELECTRICAL CENTER                                                                                                                                                                  | \$450.00              | \$450.00             |                                                                                                        |
| NOTE :                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                    |                       |                      |                                                                                                        |
| PER THE PURCHASING COOPERATIVE, PRICING SUBJECT TO CHANGE DUE TO PPI (PRODUCER PRICE INDEX) ESCALATION AND/OR MANUFACTURER PRICE INCREASES. PLEASE CONTACT YOUR SALES REPRESENTATIVE TO CONFIRM QUOTED PRICING IS STILL VALID PRIOR TO ISSUANCE OF PURCHASE ORDER. |                                                                                                                                                                                                                                                                    | Class B - Base Price  | \$144,583.00         |                                                                                                        |
|                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                    | Published Options     | \$35,742.00          |                                                                                                        |
|                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                    | Non-Published Options | \$27,160.00          |                                                                                                        |
|                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                    | Total                 | \$207,485.00         | \$39,960.00                                                                                            |
|                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                    | Doc Prep Fee          | \$85.00              |                                                                                                        |
| The Non-Taxable Amount is the ADA Equipment in the Base and Added as Options                                                                                                                                                                                       |                                                                                                                                                                                                                                                                    | Non-Taxable           | \$39,960.00          |                                                                                                        |
| The Taxable Amount Includes the Mobility Rebate of \$1,000.00 For Ford Chassis                                                                                                                                                                                     |                                                                                                                                                                                                                                                                    | Taxable Amount        | \$168,610.00         |                                                                                                        |
| San Diego*                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                    | Tax Total             | \$13,067.28          | 7.750%                                                                                                 |
|                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                    | Sub-Total             | \$220,637.28         |                                                                                                        |
|                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                    | CalACT Fee*           | \$1,363.63           |                                                                                                        |
|                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                    | DMV E-File Fee:       | \$33.00              |                                                                                                        |
|                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                    | DMV Fee               | \$0.00               | (Estimated)                                                                                            |
|                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                    | Tire Fee              | \$12.25              |                                                                                                        |
|                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                    | Total                 | \$222,046.16         |                                                                                                        |
|                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                    | Number of Units       | 22                   |                                                                                                        |
|                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                    | Final Total           | \$4,885,015.52       |                                                                                                        |
| Purchasing of vehicles requires a CALACT membership, letter of assignment, and payment of procurement fee. If you have any questions, please contact CALACT direct at 916-920-8018 *CalACT fee is 1.5% of purchase price capped at \$30,000 per purchase order     |                                                                                                                                                                                                                                                                    |                       |                      |                                                                                                        |



CAMERA #

|    |                 |
|----|-----------------|
| #1 | RRP-IPC-FFC-4.0 |
| #2 | RRP-AHD-IDC-2.1 |
| #3 | RRP-AHD-CSC-2.8 |
| #4 | RRP-AHD-BUC-2.2 |

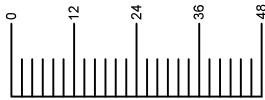
DEALER APPROVAL

☐ APPROVED

CUSTOMER SIGNATURE

NOTE: SHOWN WITH MID HI FREEDMAN SEATS  
E-450 14,500 GVWR  
THIS FLOOR PLAN IS FOR ILLUSTRATION PURPOSES ONLY.  
A WEIGHT ANALYSIS HAS NOT YET BEEN PERFORMED.  
FINAL APPROVAL WITH A WEIGHT ANALYSIS IS REQUIRED UPON RECEIPT OF A  
COMPLETED ORDER WITH ALL OPTIONS SHOWN.  
OPTIONAL EQUIPMENT MAY BE SHOWN.  
THE SALES ORDER PLACED DICTATES ACTUAL OPTION CONTENT.

SCALE  
IN INCHES

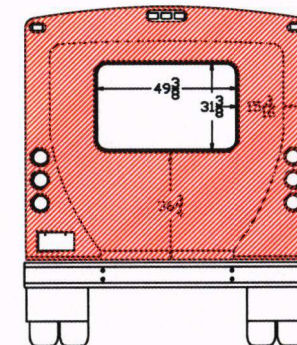
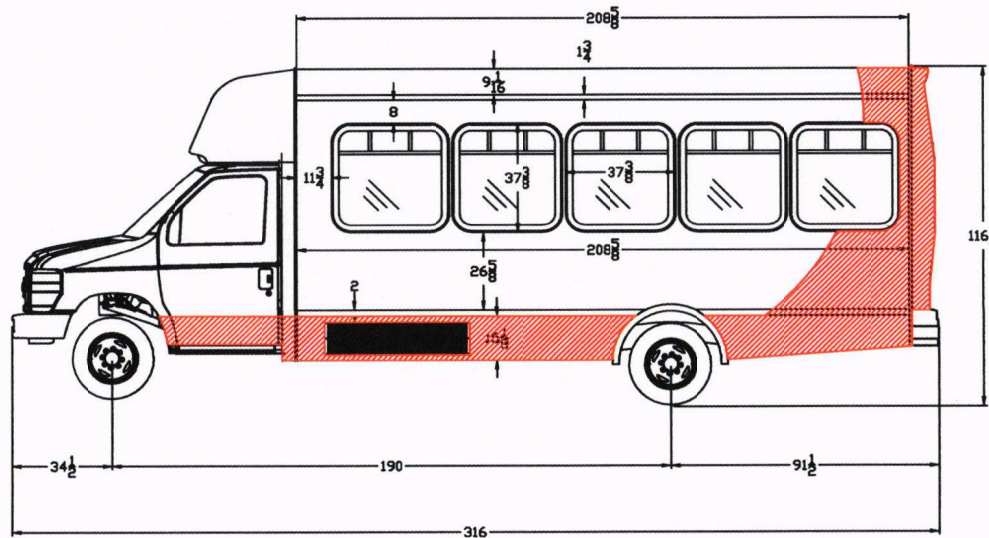
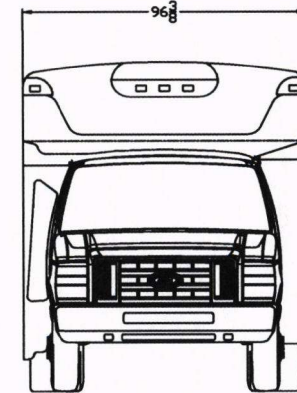
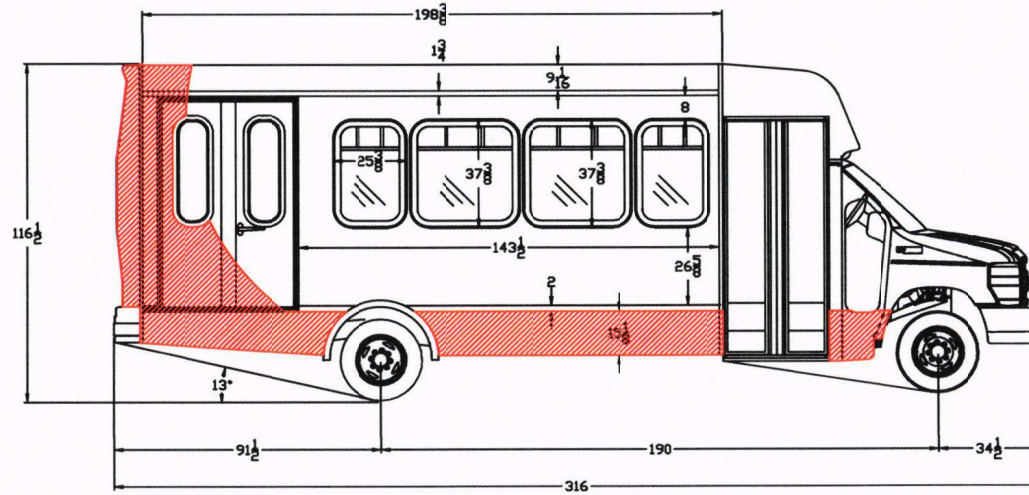


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| REV. LET. | DESCRIPTION OF CHANGE | BY | CHK | DATE | ECN No. |
|-----------|-----------------------|----|-----|------|---------|
|           |                       |    |     |      |         |
|           |                       |    |     |      |         |
|           |                       |    |     |      |         |
|           |                       |    |     |      |         |

|                                                     |         |                                                                                       |                                              |  |
|-----------------------------------------------------|---------|---------------------------------------------------------------------------------------|----------------------------------------------|--|
| TOLERANCE UNLESS OTHERWISE SPECIFIED                |         |  | TITLE:<br>4 4WC 158" WB 163" BDY<br>MODEL 22 |  |
| WOOD                                                | OTHER   |                                                                                       |                                              |  |
| + 1/8"                                              | + 1/16" | FOREST RIVER BUS                                                                      | NAME: L. GINGERICH DATE: 08/21/25            |  |
| + 1"                                                | + 1/2"  |                                                                                       |                                              |  |
| DWG. No. 4 4 WC 4 DB FOLDS 2 DB FLIPS 158 163-2 FRB |         |                                                                                       |                                              |  |





TOYLAND RED VALSPAR #829R4072

129411-129420B

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| REV. | LET. | DESCRIPTION OF CHANGE | BY | CHK | DATE | ECN No. | TOLERANCE UNLESS OTHERWISE SPECIFIED |         | FOREST RIVER BUS          | NAME: LG | DATE: 07/17/23 |
|------|------|-----------------------|----|-----|------|---------|--------------------------------------|---------|---------------------------|----------|----------------|
|      |      |                       |    |     |      |         | WOOD                                 | OTHER   |                           |          |                |
|      |      |                       |    |     |      |         | ± 1/8"                               | ± 1/16" |                           |          |                |
|      |      |                       |    |     |      |         | ± 1"                                 | ± 1/2"  | DWG. No. 190 WB 26FT 2011 |          | B-3            |



TITLE:  
190" WB MODEL 26

**LUMINATOR CAMERA SPECIFICATIONS FOR SAN DIEGO MTS**

|                       |    |                 |                                                                        |
|-----------------------|----|-----------------|------------------------------------------------------------------------|
| RRPro:                |    |                 |                                                                        |
| Recorder:             |    |                 |                                                                        |
| 1                     | 20 | RRP-MDVRSSD4S   | RoadRunner Pro Solid State Drive, 4TB                                  |
| 2                     | 20 | RRP-MDVR-24     | RoadRunner Pro MDVR 12-channel AHD + 12-channel IPC (PON power supply) |
| 3                     | 20 | RRP-Event       | ROADRUNNER PRO PANIC ALARM BUTTON                                      |
| 4                     | 20 | 009-0544-020    | ROADRUNNER PRO RS485 CABLE 20 FT                                       |
| 5                     | 20 | 009-0541-020    | ROADRUNNER PRO GPIO CABLE 20 FT                                        |
| 6                     | 20 | RRP-MDVRGPS     | RoadRunner Pro GPS Antenna                                             |
| 7                     | 20 | RR-UPS-B2       | Uninterruptible Power Supply with Battery                              |
| 8                     | 20 | 009-0336-003    | CABLE, PWR HARNESS, RRP-UPSB TO RRP-MDVR                               |
| 9                     | 20 | 099-0032-007    | Cable Assy, Power and Fuse, MRH Series w/Heater, 7'                    |
| Cameras:              |    |                 |                                                                        |
| 10                    | 20 | RRP-IPC-FFC-4.0 | IPC Forward Facing Camera, 4.0mm                                       |
| 11                    | 80 | RRP-AHD-IDC-2.1 | AHD Internal Dome Camera, 2.1mm                                        |
| 12                    | 40 | RRP-AHD-SSC-2.8 | AHD Street Side Camera, 2.8mm                                          |
| 13                    | 40 | RRP-AHD-CSC-2.8 | AHD Curb Side Camera, 2.8mm                                            |
| 14                    | 20 | RRP-AHD-BUC-2.2 | AHD Backup Camera, 2.2mm                                               |
| Camera Cables: Analog |    |                 |                                                                        |
| 15                    | 20 | 009-0553-010    | AHD AHSL CAMERA CABLE, 10 FT                                           |
| 16                    | 40 | 009-0553-025    | AHD AHSL CAMERA CABLE, 25 FT                                           |
| 17                    | 80 | 009-0553-035    | AHD AHSL CAMERA CABLE, 35 FT                                           |
| 18                    | 20 | 009-0553-020    | AHD AHSL CAMERA CABLE, 20 FT                                           |
| 19                    | 20 | 009-0553-045    | AHD AHSL CAMERA CABLE, 45 FT                                           |
| 20                    | 20 | 009-0600-035    | ROADRUNNER PRO AHD M12 TO AHSL 35 FT (Analog Backup)                   |
| 21                    | 20 | 009-0552-020    | IPC AHSL CAMERA CABLE, 20 FT ( Forward Facing IP)                      |
| Cell Router           |    |                 |                                                                        |
| 22                    | 20 | 036-0127-001    | WIRELESS, RUGGED ROUTER LTE                                            |
| 23                    | 20 | 500-5056-001    | CABLE, SPLITTER, ACC/PWR, RRP                                          |
| 24                    | 20 | 500-6061-003    | ROUTER POWER CABLE, 4 PIN MOLEX, 3'                                    |
| 25                    | 20 | 036-0067-015    | Antenna, Wifi/Wifi/Cell/Cell/GPS, 15'                                  |

**AMEREX FIRE SUPPRESSION SYSTEM SPECIFICATIONS FOR SAN DIEGO MTS**

| Amerex SafetyNet Fire Detection/Suppression & Propane Gas Detection System |  |                               |  |      |
|----------------------------------------------------------------------------|--|-------------------------------|--|------|
| Part No.                                                                   |  | Description                   |  | Qty. |
| 15591                                                                      |  | V25ABC Agent Cyl w/Press Swt  |  | 1    |
| 10180                                                                      |  | V25 Cylinder Bracket Assembly |  | 1    |
| 16389                                                                      |  | Display Panel - SafetyNet     |  | 1    |
| 16390                                                                      |  | Driver Panel - SafetyNet      |  | 1    |
| 10199                                                                      |  | Discharge Fitting Kit         |  | 1    |
| 10250                                                                      |  | Cone Nozzles                  |  | 4    |
| 10780                                                                      |  | Nozzle Brackets               |  | 4    |
| 26620-25                                                                   |  | Lead Power Assembly - 25'     |  | 1    |
| 14088                                                                      |  | Thermostat 350 Deg.           |  | 3    |
| 13982                                                                      |  | Hazard/Detection Cable - 6'   |  | 2    |
| 13981                                                                      |  | Hazard/Detection Cable - 3'   |  | 1    |
| 10178                                                                      |  | Distributor                   |  | 1    |
| 14032                                                                      |  | Electric Control Head         |  | 1    |
| 22579                                                                      |  | Electric Actuator             |  | 1    |
| 14053                                                                      |  | Manual Actuator Switch        |  | 1    |
| 14124                                                                      |  | Actuator Lead Assembly - 20'  |  | 1    |
| 14198                                                                      |  | Sensor, GAS AMGaDS III        |  | 4    |
| 26619-20                                                                   |  | Sensor, Cable - 20'           |  | 2    |
| 26619-35                                                                   |  | Sensor, Cable - 35'           |  | 2    |



\*Bus photo is not to exact specifications

Att. B, Item 05, 09/17/2026

### Class B Standard Build Options

|                                                                                |    |       |          |
|--------------------------------------------------------------------------------|----|-------|----------|
| Allstar 22 158" WB E-450 7.3L Premium Gas Engine W/240 Amp Ford Alt            | ST | 93109 | 1        |
| <b>SPECIAL INSTRUCTIONS OR NOTES</b>                                           |    |       | <b>1</b> |
| SEE BOTTOM OF ORDER FOR WARRANTY                                               |    | NOTE  | 1        |
| Dealer to Perform 4-Wheel Alignment in California                              |    | NOTE  | 1        |
| Dealer to Weigh Each Bus on California Certified Scale                         |    | NOTE  | 1        |
| No Tow Vehicle Allowed During Delivery                                         |    | NOTE  | 1        |
| Ship 4-Corner Weight Sheet with Every Vehicle                                  |    | NOTE  | 1        |
| Use 250 lbs Per Wheelchair Position                                            |    | NOTE  | 1        |
| Parts Manual with As-built Electrical Schematics                               |    | NOTE  | 1        |
| All Excessories Except Lights, WC Lift & Mobile Radio (If Equipped) Are        |    | NOTE  | 1        |
| Wiring Harnesses Supported Every 24" Maximum                                   |    | NOTE  | 1        |
| No Butt Connectors Allowed                                                     |    | NOTE  | 1        |
| If Driver Switch Panel is on Engine Cover, Then a Quick Disconnect is Required |    | NOTE  | 1        |
| Fast Idle: 1500 RPM on Gas - Fast Idle to Engage if Voltage Drops Below 12.5   |    | NOTE  | 1        |
| Install Dome Light With Every Row of Seats, Including WC Position, Must        |    | NOTE  | 1        |
| Ground Engine to Chassis Frame, Body to Chassis Frame, Lift Pump Housing       |    | NOTE  | 1        |
| Hip-To-Knee Spacing 27" Minimum                                                |    | NOTE  | 1        |
| Seat Track Not Extend More than 6" Past Seats                                  |    | NOTE  | 1        |
| Undercoat Metal Skirts                                                         |    | NOTE  | 1        |
| Ground to First Step Height Shall Not Exceed 12.5" Unloaded                    |    | NOTE  | 1        |
| 304SS Required for Entry Grabs and Ceiling Grabs                               |    | NOTE  | 1        |
| Ceiling Grab Rails Require Formed Elbows - No End Caps                         |    | NOTE  | 1        |
| AC & Heater Hoses Supported Every 24" Minimum                                  |    | NOTE  | 1        |
| Build Front Driver Storage Compartment as Large as Possible, For Storage of    |    | NOTE  | 1        |
| Install Toolbox Next to Lift if Space Allows                                   |    | NOTE  | 1        |
| Convex Mirror Must Avoid Sun Visor and Overhead Door                           |    | NOTE  | 1        |
| Headlight Aiming Certificate - Ship with Bus                                   |    | NOTE  | 1        |
| Water Test Certificate - Ship with Bus                                         |    | NOTE  | 1        |
| Driveline Metal Guards for Each Section of Shaft                               |    | NOTE  | 1        |
| All Harnesses Secured to Frame at Maximum of 24"                               |    | NOTE  | 1        |
| P-Clamps Added as Deemed Necessary by MBTA Inspector                           |    | NOTE  | 1        |
| Batteries Must Be Same Type (No Mismatch) (1 In Tray - 1 Underhood)            |    | NOTE  | 1        |
| Continuous Run Battery Cables                                                  |    | NOTE  | 1        |
| Slide Blocks To Hold Batteries In Place                                        |    | NOTE  | 1        |
| Floor Track Will Not Be Installed in Any Area not Covered by a Fixed Seat      |    | NOTE  | 1        |
| Operations Manual - Covering Conversion Features as Listed                     |    | NOTE  | 1        |
| Parts Book, Operating Instructions, Troubleshooting Guide, Inspection &        |    | NOTE  | 1        |
| <b>SPECIAL BUILD OPTIONS</b>                                                   |    |       | <b>1</b> |
| Driver Entry Grab Steel Reinforced Plastic - Nutsert Install                   | ST | 99    | 1        |
| (3) GROUND WIRES TO BE ZERO OUGHT GAUGE, TO BE CONTINUOUS                      | ST | 99    | 1        |
| Interlock on Entry Door - Must Be in Park to Operate                           | ST | 99    | 1        |
| ENTRY DOOR HEADER ACCESS PANEL DOOR MUST BE HINGED WITH 2                      | ST | 99    | 1        |
| Battery Tray: SS Tray & Slides Per Standard Options Below. Must Extend at      | ST | 99    | 1        |
| Install Battery Cable Wiring Diagram Inside Battery Access Door                | ST | 99    | 1        |
| Decal: Battery Disconnect, Emergency Use Only                                  | ST | 99    | 1        |
| Stainless Steel Battery Hold-Down Hardware                                     | ST | 99    | 1        |
| Add 2nd Heater Line Brass 1/4 Turn Valve                                       | ST | 99    | 1        |
| Decal: "Heater Shut Off Valve" - Install On Street Side Near Valves            | ST | 99    | 1        |
| KEYED LOCK ILO THUMB LATCH FOR ELECTRICAL CENTER DOOR                          | ST | 99    | 1        |
| 5/8", 7 Ply AC Marine Grade APA Plywood Floor                                  | ST | 99    | 1        |
| Upgrade Driver Plexi Barrier: Extend to Within 6" of Ceiling                   | ST | 99    | 1        |
| 14 Gauge Galvanized Steel Wheelwells                                           | ST | 99    | 1        |
| Dual Handles on WC Lift Doors                                                  | ST | 99    | 1        |
| Flame Block on Bottom of Driver Seat Cushion (N/A on USSC & Recaro)            | ST | 99    | 1        |
| Laminated Modesty Panel, Grey Melamine, Each                                   | ST | 99    | 2        |
| Intermotive Break Out Box                                                      | ST | 99    | 1        |
| GENERIC PARTS MANUAL ON FLASH DRIVE                                            | ST | 99    | 1        |
| <b>ELECTRICAL SYSTEM</b>                                                       |    |       |          |
| Intermotive Flex Tech Electrical System                                        | 05 | STD   | 1        |
| <b>SIDEWALL / REARWALL / CEILING</b>                                           |    |       |          |



|                                                                                                                |    |       |  |   |
|----------------------------------------------------------------------------------------------------------------|----|-------|--|---|
| Sidewall: Grey FRP                                                                                             | 05 | STD   |  | 1 |
| Rearwall: Grey Seaspray Fabric                                                                                 | 05 | STD   |  | 1 |
| Driver Area: Grey Padded Vinyl                                                                                 | 05 | STD   |  | 1 |
| FRP on Ceiling, Grey                                                                                           | 05 | 2289  |  | 1 |
| Cove Colored Flooring on Sidewall to Seat Track                                                                | 05 | 2238  |  | 1 |
| <b>FLOORING - WHITE NOSING IS STANDARD</b>                                                                     |    |       |  |   |
| Altro Meta Storm                                                                                               | 05 | 2248  |  | 1 |
| Yellow Step Nosing - Per Step                                                                                  | 05 | 8820  |  | 3 |
| <b>CHASSIS</b>                                                                                                 |    |       |  |   |
| Front Mud Flap (1), Passenger Side Only (to be used with Running Board) - <b>NOT AVAILABLE ON FORD TRANSIT</b> | 05 | 2340  |  | 1 |
| Heavy Duty Anti-Slip Aluminum Running Board on Driver Side (Large) ( <b>NOT AVAILABLE ON FORD TRANSIT</b> )    | 05 | 2623  |  | 1 |
| Exterior Mirror Set Remote/Heated w/External LED Strip Turn Signal Ford                                        | 05 | 2825  |  | 1 |
| Romeo Rim Rear Bumper w/HawkEye RAS Installed                                                                  | 05 | 2670  |  | 1 |
| Valve Stem Extender Inner Dual Rear Wheel, pair                                                                | 05 | 8606  |  | 1 |
| <b>ENVIRONMENTAL CONTROL</b>                                                                                   |    |       |  |   |
| <b>TRANS/AIR AIR CONDITIONING SYSTEMS</b>                                                                      |    |       |  |   |
|                                                                                                                |    |       |  | 1 |
| TRANS AIR TA733 SUPER 75,000 BTU, TA73 EVAP, SMC3L COND, 13 CID COMP 7.3L GAS                                  | ST | 99    |  | 1 |
| USE #16 SUCTION HOSE IN A/C SYSTEM                                                                             | ST | 99    |  | 1 |
| <b>HEATERS</b>                                                                                                 |    |       |  |   |
|                                                                                                                |    |       |  | 1 |
| Hot Water Heater, 35K BTU 3 Speed Low Profile                                                                  | 05 | 8044  |  | 1 |
| <b>MISCELLANEOUS</b>                                                                                           |    |       |  |   |
|                                                                                                                |    |       |  | 1 |
| Silicone Heater Hose (for rear unit) w/full ring clamps                                                        | 05 | 20090 |  | 1 |
| <b>ELECTRICAL</b>                                                                                              |    |       |  |   |
| Stainless Batt.Tray w/Std Batt.Box <i>IS 304 REQUIRED?</i> <b>YES</b>                                          | 05 | 2784  |  | 1 |
| Stainless Steel Battery Tray Slides ILO Zinc Plated Slides - Extra Charge                                      | 05 | 2869  |  | 1 |
| Rotary Disconnect Switch                                                                                       | 05 | 8790  |  | 1 |
| Laminated Wiring Schematic ***AS BUILT*** ON ELECTRICAL PANEL DOOR                                             | 05 | 22101 |  | 1 |
| Wiring Diagram "AS BUILT" ON USB Flash Drive                                                                   |    | STD   |  | 1 |
| <b>EXTERIOR LIGHTS</b>                                                                                         |    |       |  |   |
| Surface Mount LED Entry Door Exterior Light - STD Choose Optional Below or Special builds                      | 05 | STD   |  | 1 |
| LED Rear Center Mount Brake Light, <b>Rectangular</b>                                                          | 05 | 20136 |  | 1 |
| LED Mid-Ship Turn / Marker Lights                                                                              | 05 | 20138 |  | 1 |
| Independent <b>RED</b> Brake & <b>AMBER</b> Turn Signal Lights                                                 | 05 | 20139 |  | 1 |
| <b>INTERIOR LIGHTS</b>                                                                                         |    |       |  |   |
|                                                                                                                |    |       |  | 1 |
| Additional Interior LED Dome Lamp - Each                                                                       | 05 | 8041  |  | 2 |
| <b>AUDIO / VISUAL</b>                                                                                          |    |       |  |   |
|                                                                                                                |    |       |  | 1 |
| Jensen JHD36AB AM/FM/CD/Clock Blue Tooth/USB Enabled / 4 SPEAKERS PA Ready                                     | 05 | 8830  |  | 1 |
| <b>DOORS / HATCH / WINDOWS</b>                                                                                 |    |       |  |   |
| <b>Electric Entry Door is Standard. Add Option #2056 if Manual is Desired</b>                                  |    |       |  |   |
| Passenger Door Electric (standard)                                                                             | 05 | 20163 |  | 1 |
| Passenger Door 36" ROUGH OPENING (STANDARD)                                                                    | 05 | 2063  |  | 1 |
| Exterior Passenger Entrance Door Key                                                                           | 05 | 8133  |  | 1 |
| Solid Window(s) EACH Replace T-Slide(s) Enter Specific Instructions in Row Below                               | 05 | 20187 |  | 1 |
| <b>STREET SIDE REAR</b>                                                                                        |    | NOTE  |  | 1 |
| <b>INTERIOR</b>                                                                                                |    |       |  |   |
|                                                                                                                |    |       |  | 1 |
| Driver Coat Hook                                                                                               | 05 | 8769  |  | 1 |
| <b>LUGGAGE RACK / STORAGE</b>                                                                                  |    |       |  |   |
|                                                                                                                |    |       |  | 1 |
| Driver Storage in Cab Overhead with Lock                                                                       | 05 | 20192 |  | 1 |
| <b>PARATRANSIT OPTIONS</b>                                                                                     |    |       |  |   |
|                                                                                                                |    |       |  | 1 |
| Double W/C Doors w/ Windows, LED Interior Light, Leaf Spring, LED Exterior Lighting                            | 05 | 20206 |  | 1 |
| <b>IS THE LIFT IN THE FRONT OR REAR OF THE UNIT?</b>                                                           |    |       |  | 1 |
| <b>BRAUN LIFTS</b>                                                                                             |    |       |  |   |
|                                                                                                                |    |       |  | 1 |
| Braun Century NCL917-2 800# Lift (33"x51")                                                                     | 05 | 8744  |  | 1 |
| <b>LIFT FAST IDLE WITH 403 INTERLOCK</b>                                                                       |    |       |  |   |
|                                                                                                                |    |       |  | 1 |
| Intermotive Gateway 508-F Ford E or 517-F Transit Fast Idle with Lift Interlock                                | 05 | 99    |  | 1 |
| <b>Q Straint W.C. Securement Kits, Accessories</b>                                                             |    |       |  |   |
|                                                                                                                |    |       |  | 1 |
| Q10007 - 4 QRT 360 Retractable Tie Down L track & Q8-6326-A1 Comb-Lap/Shldr                                    | 05 | 8826  |  | 2 |





|                                                                                            |           |            |          |
|--------------------------------------------------------------------------------------------|-----------|------------|----------|
| Q5-7580-4 18" Blue Webbing Loop (each)                                                     | 05        | 20250      | 8        |
| Q5-6327 84" Postural Belt with Padding - Black Webbing                                     | 05        | 20251      | 1        |
| Q-Strait Belt Cutter (ship loose)                                                          | 05        | 8179       | 1        |
| <b>Miscellaneous Accessories</b>                                                           |           |            | 1        |
| Priority Seating Sign **Required for ADA Compliance**                                      | 05        | 8104       | 1        |
| Tool Box Wheelchair Belt Storage                                                           | 05        | 20257      | 1        |
| <b>SAFETY OPTIONS</b>                                                                      |           |            |          |
| 5 Lb Fire Extinguisher                                                                     | 05        | 8089       | 1        |
| 16 Unit First Aid Kit                                                                      | 05        | 8090       | 1        |
| Body Fluid Kit                                                                             | 05        | 20264      | 1        |
| Emergency Triangle Kit                                                                     | 05        | 8091       | 1        |
| Back-Up Alarm SAE Type B 107 db(A) Ecco 575                                                | 05        | 2880       | 1        |
| <b>STANDARD ROSCO STSK4750 BACK-UP CAMERA SYSTEM W/ 7" REARVIEW MONITOR / MIRROR COMBO</b> | <b>05</b> | <b>STD</b> | <b>1</b> |
| Interior Convex Mirror 6"x9"                                                               | 05        | 20276      | 1        |
| Red Light Over Emergency Exit Ea: <b>ON: SIDE &amp; REAR EGRESS WINDOWS</b>                | 05        | 8155       | 3        |
| Yellow "Standee" Line                                                                      | 05        | 8802       | 1        |
| <b>GRAB RAIL / STANCHION / PANELS</b>                                                      |           |            |          |
| Ceiling Grab Rail - Install on <b>Both Sides</b>                                           | 05        | 99         | 1        |
| Left Hand Entry Vertical Grab Rail - 1 1/4"                                                |           | <b>STD</b> | 1        |
| 1 1/4" Dual Entry Grab Rails Parallel to Entrance Steps (both sides)                       | 05        | 8130       | 1        |
| Stanchion and Modesty Panel at Entry Door                                                  |           | <b>STD</b> | 1        |
| <b>SEATING - DRIVER</b>                                                                    |           |            | 1        |
| SHIELD Sport 2.0 Recliner RH Adjustable LeMans Arm, 2 Way Adjustable Lumbar                | 05        | 99         | 1        |
| <b>FREEDMAN SHIELD DRIVER SEAT FABRICS</b>                                                 |           |            | 1        |
| Driver Seat Cover - Level 4 Ice Pinstripe; Mor-Care; Leathermate                           | 05        | 2043       | 1        |
| <b>SEATING - PASSENGER</b>                                                                 |           |            | 1        |
| <b>STD RIGID SEATS</b>                                                                     |           |            | 1        |
| Mid High Double Seat                                                                       | 05        | 8067       | 6        |
| <b>PASSENGER SEAT FABRICS</b>                                                              |           |            | 1        |
| Seat Cover - Level 4 Ice Pinstripe; Mor-Care; Leathermate                                  | 05        | 2074       | 12       |
| <b>SEAT OPTIONS</b>                                                                        |           |            | 1        |
| Anti-Vandal Grab Handle, Black Ea on: <b>ALL SEAT EXCEPT AGAINST REAR WALL</b>             | 05        | 2311       | 12       |
| Black US Armrest - Each - <b>on:</b>                                                       | 05        | 2077       | 6        |
| Flame Block Material on Underside of Seat (each)                                           | 05        | 2884       | 12       |
| <b>SEAT BELTS</b>                                                                          |           |            | 1        |
| Seat Belt, Freedman USR Retractable (Per Person)                                           | 05        | 2282       | 12       |
| Seat Belt Extension, 12" (P/N 56410) FOR USR SEAT BELTS                                    | 05        | 8771       | 2        |

**SUMMARY OF STANDARD WARRANTIES**

(Provide complete warranty information and parchment with proposal)

| <b>Warranty</b>                     | <b>Miles</b> | <b>Years</b> | <b>Warranty Details</b>    |
|-------------------------------------|--------------|--------------|----------------------------|
| Body Structure                      | 100,000      | 5            | See attached Warranty Info |
| Chassis                             | 36,000       | 3            | See attached Warranty Info |
| Engine                              | 60,000       | 5            | See attached Warranty Info |
| Transmission                        | 60,000       | 5            | See attached Warranty Info |
| Air conditioner                     | Unlimited    | 2            | See attached Warranty Info |
| Lift/Ramp                           | Unlimited    | 5            | See attached Warranty Info |
| EV Battery                          | N/A          | N/A          | N/A                        |
| EV Conversion/Installation          | N/A          | N/A          | N/A                        |
| CNG Warranty<br>(Install and tanks) | N/A          | N/A          | N/A                        |



**Metropolitan  
Transit  
System**

**DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 9/3/2026**

## **Agenda Item No. 06**

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

**September 17, 2026**

**SUBJECT:**

Ultrasonic Rail Testing 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. PWL469.0-26 (in substantially the same format as Attachment A), with Smith-Emery Laboratories (Smith-Emery), for Ultrasonic Rail Testing Services for a five (5) year period, in the amount of \$379,265.00.

**Budget Impact**

The total contract cost of services is estimated to be \$379,265.00 (Attachment B). The project will be funded by the San Diego Trolley (SDTI) Track Operating Budget account 370016-571210.

**DISCUSSION:**

Two primary goals of MTS are to deliver its public transit services in a safe and reliable manner. A significant factor in achieving these goals is to maintain MTS infrastructure in a state of good repair.

For the railroad track system, ultrasonic rail testing is critical to ensure MTS's safe operations, as rail defects can lead to derailments. In addition, the Federal Railroad Administration (FRA) requires that MTS conduct a full-system rail test every 12 months. Due to the volume of heavy rail freight carried on the Blue Line by the San Diego and Imperial Valley Railroad, MTS conducts additional tests each year on its Blue Line between San Diego and San Ysidro. On the Blue Line, the test frequency is four times per year at quarterly intervals. The Orange Line and Green Line are tested once per year.

Testing takes place during an approved work window, so as not to interfere with revenue service. It is performed on all running rail directly in contact with the train wheels. Portions of the frog and other track work not normally in direct contact with train wheels are tested. MTS's Maintenance of Way (MOW) personnel accompany the testing contractor on all inspections and take immediate action as defects or concerns are identified. A detailed report is then submitted



to MTS showing flaws and defects discovered during the tests and inspections, describing the location, type, size, and recommended corrective action.

On May 12, 2026, MTS issued an Invitation for Bids (IFB) seeking a contractor to provide ultrasonic rail testing. A total of four (4) bids were received by the due date of June 26, 2026, from the following bidders:

| <b>Name</b>                          | <b>Certifications</b> | <b>Amount</b>  |
|--------------------------------------|-----------------------|----------------|
| Smith Emery Laboratories             | None                  | \$369,265.00   |
| EMA Industries                       | None                  | \$539,150.00   |
| Pro-Traxx                            | None                  | \$660,613.74   |
| Advanced Rail Management Corporation | None                  | \$1,188,070.00 |
| MTS Independent Cost Estimate (ICE)  | N/A                   | \$802,520.29   |

MTS has deemed Smith Emery to be the lowest responsive and responsible bidder; and has determined their bid to be fair and reasonable based on the comparison of all bids received and MTS' ICE as shown above.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS Doc. No. PWL469.0-26 (in substantially the same format as Attachment A), with Smith-Emery, for Ultrasonic Rail Testing Services for a five (5) year period, in the amount of \$379,265.00.

/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 Agreement No. PWL469.0-26  
B. Scope of Work  
C. Cost Form





# Metropolitan Transit System

## STANDARD AGREEMENT

### FOR

**MTS DOC. NO. PWL469.0-26**

### ULTRASONIC RAIL TESTING SERVICES

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2026 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: Smith-Emery Laboratories Address: 781 East Washington Blvd  
Los Angeles CA 90021  
City State Zip  
 Form of Business: Corporation  
 (Corporation, Partnership, Sole Proprietor, etc.) Email: [jkingston@smithemery.com](mailto:jkingston@smithemery.com)  
 Telephone: 412-606-9337

Authorized person to sign contracts Joseph Kingston Director of Rail Services  
Name Title

The Contractor agrees to provide services as specified in the conformed Scope of Work/Technical Specification (Exhibit A), Contractor's Cost/Pricing Form (Exhibit B), and in accordance with the Standard Agreement, including Standard Conditions (Exhibit C), Federal Requirements (Exhibit D), and Forms (Exhibit E).

The contract term is for five (5) years effective January 16, 2027 through January 15, 2032.

Payment terms shall be net 30 days from invoice date. The total cost of this contract shall not exceed \$379,265.00 without the express written consent of MTS.

| SAN DIEGO METROPOLITAN TRANSIT<br>SYSTEM             | SMITH-EMERY LABORATORIES |
|------------------------------------------------------|--------------------------|
| By:<br><u>Sharon Cooney, Chief Executive Officer</u> | By _____                 |
| Approved as to form:                                 |                          |
| By:<br><u>Karen Landers, General Counsel</u>         | Title: _____             |



# SCOPE OF WORK/TECHNICAL SPECIFICATIONS

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## 1.1. INTRODUCTION

MTS seeks to engage with an experienced and qualified contractor to provide rail testing and inspection of, and reporting on, its light rail system. The work will encompass rail ultrasonic testing and inspections as prescribed by Federal Railroad Administration (FRA) Standards. The work will also include the preparation and submittal of detailed reports and recommendations for mitigation of flaws and defects that may be discovered during the tests and inspections. The tests and inspections will focus on locating internal flaws; analysis of findings, recommendations regarding findings, and recommendations on how existing rail maintenance programs may be enhanced, and resolution/mitigation of defects discovered during testing.

## 1.2. CONTRACTOR MINIMUM QUALIFICATIONS AND EXPERIENCE

Contractor shall have demonstrated continuous proven competency in ultrasonic testing for at least the last five (5) continuous years and shall provide at least three (3) references. Experience shall be submitted in the status of contracts forms provided. References may be public agencies or commercial railway operators. The form must be completely filled out including the firm name, physical address, email address, telephone number, and the contact person. MTS will contact the reference firms to verify experience. As required by federal, state or local law, Contractor must be properly licensed to perform the services and/or to operate the necessary vehicles and equipment.

## 1.3. QUALIFICATIONS OF DESIGNATED PERSONNEL

Testing shall be performed only by experienced and qualified personnel and shall follow the requirements of the California Public Utilities Commission (CPUC) General Order 143-B, and the American Railroad Engineering and Maintenance Association (AREMA) Manual for Railway Engineering.

The designated operators should have a minimum of 5 years' experience, shall have performed ultrasonic testing on a class one carrier such as the BNSF or Union Pacific. As part of the bid package, Bidders should attach the designated personnel proof of qualifications and resumes. This documentation is part of bidder responsiveness check and MTS will not award the contract before they are received.

## 1.4. BID FORM

Contractor shall provide its all-inclusive cost per mile including but not limited to labor, equipment, insurance, mobilization and transportation costs, overhead, profit, and all other related costs necessary to perform the testing work described.

On the Bid Form, MTS has provided the miles per year. The option miles of testing system-wide per year (to be exercised at MTS' sole discretion) will be for situations when MTS needs the Contractor to perform additional services. These quantities are for bidding purposes and Contractor should note that actual usage may be more or less than estimated. Contractor shall perform all testing described at the rates quoted on the Bid Form.

Travel time will not be billable. Rates for miles are for onsite work only.

Charges not described on the Bid Form will not be considered valid and MTS will not pay additional costs.

## 1.5. LIGHT RAIL ROUTES

MTS operates three light-rail routes.

- i. Blue Line (South) – The Blue Line (South) runs on a generally north-south direction and entered service in 1981. It consists of approximately 32 track miles of 90-lb and 115-lb rail, double track. The service is from the San Ysidro Station adjacent to the international border between Mexico and the United States to America Plaza in downtown San Diego and includes paved segments totaling some 1.25 miles along C Street, from America Plaza to 12<sup>th</sup> Avenue. **Note: paved segments shall not be tested.**
- ii. Blue Line (North) – The Blue Line (North) runs on a generally north-south direction and will entered into service in late 2021. It consists of approximately 22 track miles long double track of 115-lb rail providing service from Old Town Station to University Town Center Station.
- iii. Orange Line – The Orange Line runs in a general east-west direction and is approximately 36 track miles long, double track, of 115-lb rail from the El Cajon Station to Santa Fe Station. Between Santa Fe Station and the Imperial Avenue Transit Station the Orange Line shares the Blue Line tracks. The Orange Line entered into revenue service in the segments listed below:
  - Imperial Avenue Transit Station to Euclid Station: 1989
  - Euclid Station to Spring Street Station: 1990
  - Spring Street Station to El Cajon Transit Station: 1992
  - El Cajon Transit Station to Santee: 1995
- iv. Green Line – The Green Line also runs on an east-west direction with approximately 48 track miles of 115-lb rail from the 12<sup>th</sup> Imperial Terminal to Santee Station with single track in certain areas (including 2.25 miles of paved segments on the Bayside Line). From Baltimore Junction (East Line MP 13.00) to El Cajon Transit Center the track is co-shared between the Orange Line and the Green Line.

The contract will cover rail testing to be performed at the intervals described herein, with the performance period beginning on January 16, 2027 and ending on January 15, 2032.

The frequency of annual tests is as follows:

| CONTRACT YEAR | TROLLEY LINE | TRACK MILES | TEST FREQUENCY                     |
|---------------|--------------|-------------|------------------------------------|
| Year 1 (2027) | Blue (South) | 30          | 4x per year at quarterly intervals |
|               | Blue (North) | 22          | 1x per year                        |
|               | Orange       | 41          | 1x per year                        |

|               |              |    |                                    |
|---------------|--------------|----|------------------------------------|
|               | Green        | 32 | 1x per year                        |
|               | Option       | 32 | 1x per year                        |
| Year 2 (2028) | Blue (South) | 30 | 4x per year at quarterly intervals |
|               | Blue (North) | 22 | 1x per year                        |
|               | Orange       | 41 | 1x per year                        |
|               | Green        | 32 | 1x per year                        |
|               | Option       | 32 | 1x per year                        |
| Year 3 (2029) | Blue (South) | 30 | 4x per year at quarterly intervals |
|               | Blue (North) | 22 | 1x per year                        |
|               | Orange       | 41 | 1x per year                        |
|               | Green        | 32 | 1x per year                        |
|               | Option       | 32 | 1x per year                        |
| Year 4 (2030) | Blue (South) | 30 | 4x per year at quarterly intervals |
|               | Blue (North) | 22 | 1x per year                        |
|               | Orange       | 41 | 1x per year                        |
|               | Green        | 32 | 1x per year                        |
|               | Option       | 32 | 1x per year                        |
| Year 5 (2031) | Blue (South) | 30 | 4x per year at quarterly intervals |
|               | Blue (North) | 22 | 1x per year                        |
|               | Orange       | 41 | 1x per year                        |
|               | Green        | 32 | 1x per year                        |
|               | Option       | 32 | 1x per year                        |

\*MTS also asks Bidders to submit pricing on the bid form for an additional 32 option miles of testing system-wide per year. These options will be exercised at MTS's sole discretion.

#### 1.6. DESCRIPTION OF THE PROPERTY

- i. Track

Main Lines: Ballasted track on wood ties or concrete ties; track through downtown San Diego is embedded in asphalt and concrete  
 Intersections: Track in street crossings is either embedded in asphalt, concrete or ballasted track with concrete paneling  
 Special: Various system of direct fixation are used in selected locations  
 Curves: Minimum horizontal radius: 82 ft.  
 Minimum vertical radius: 1,660 ft.  
 Superelevation: 6 inch maximum  
 Grade: 6.5% maximum

- ii. Rail
- Main Line: 90 RA 115 RE
- Single or double restraining rail is used in curves with a radius of less than 900 ft. and other restricted areas.
- Switches: No.6 through No. 20
- Main Line: Timber ties 7 inch x 9 inches x 9 feet  
 Concrete ties 6 inch x 10 inches x 9 feet  
 Longer timber ties in other specific areas such as switches and cross-overs.
- iii. Electrification
- The entire system is electrified with an overhead system, either single contact wire, or catenary. Power return is through the running rails.
- Voltage: 650 VDC nominal, up to 900 VDC maximum
- Wire Height: 12 ft minimum above top of rail  
 22 ft maximum above top of rail

**NOTE: The overhead system is to be considered energized at all times**

## 1.7. AVAILABILITY OF THE PROPERTY FOR TESTING

MTS Trolley operates revenue service for twenty-one-and-a-half hours daily. Service runs from 4:00 AM of one day to 1:30 AM of the following day, seven days a week. All testing shall be performed so as not to interfere with revenue service on the adjacent track or beyond the limits of the defined work area.

The rail testing shall be performed during an approved work window, within a defined area, of approximately four hours per day, generally between 12 midnight and 4 AM hours on weekdays, and 12 midnight and 5 AM on weekends. This time allowance may vary depending on the designated location of a test. The time of availability may also be adjusted by MTS to allow it to accommodate additional operating requirements.

No work by persons or equipment shall be performed within ten feet of the centerline of any operating trolley track during operating hours without appropriate notification and protection of a flagger. If any such work is planned within these zones, Contractor must notify MTS by not less than 48 hours prior to performing such work. Flagging and/or switch tending will be provided by MTS to the Contractor at no cost, provided the required deadline for advance notification is met. If the Contractor's plans change Contractor shall notify MTS by not less than 12 hours prior to the prescheduled operation. If the Contractor neglects to notify MTS of its planned work by the required notification deadline, all costs

incurred by MTS' in provision of flaggers or switch tenders to the Contractor shall be charged to the Contractor. The Contractor will not be assessed flagging expenses when planned work is not performed due to conditions beyond Contractor's control.

The hi-rail vehicle shall have continuous shunting capabilities when on our main line, crossing gates, signals and other devices should activate, if this requirement is not met no testing will be approved.

Bidders will include an equipment failure contingency plan that will describe the process for the removal of failed test equipment from the MTS mainline track in a manner that will not result in any service delay. It is the MTS' intent for this plan to be submitted by the Contractor for MTS review and approval prior to the Contractor submitting a request for a work window for rail testing.

Similarly, Bidder will include in its equipment failure contingency plan the process by which it will ensure that rail testing services are restored quickly and efficiently so as to guarantee that MTS will not suffer any harm as a result of uncompleted rail testing due failure of equipment. Bidder will also include a plan for recovery from other foreseeable delays not necessarily induced by equipment failures.

Testing shall be performed only by experienced and qualified personnel and shall follow the requirements of the California Public Utilities Commission (CPUC) General Order 143-B, and the American Railroad Engineering and Maintenance Association (AREMA) Manual for Railway Engineering.

The Contractor shall test all running rail directly in contact with the train wheels. Portions of the frog and those other track work not normally in direct contact with train wheels will be tested. The Contractor shall identify areas of special track work which cannot be reliably tested with the contractor's equipment. The service person assigned to the project shall have the expertise and correct equipment to pinpoint exact locations of defects in the rail using hand-held detectors.

The Contractor shall identify the precise location of each defect discovered during testing by marking the extent and type of the defect with spray paint on the side of the rail. The Contractor shall also prepare a comprehensive report listing all defects found by type, size, and the exact location of each. The location of defects shall be referenced using the comparative distance and direction from the nearest trolley mile post (as they are marked on traction power poles).

A complete report shall be provided to MTS by no later than the end of the business day (5:00 PM) of the next business day following the discovery for non-critical defects. Critical defects will be communicated to MTS immediately.

Contractor shall submit a comprehensive work schedule prior to the start of work to assure MTS staff is allowed sufficient time to prepare to render to Contractor the appropriate level of support.

The contractor shall comply with all applicable Federal, State, and local regulatory requirements, and is responsible to obtain any and all required permits.

The high rail vehicle detector and carriage shall be capable of testing the rail to meet FRA Track Safety Standards, Section 213.237. At a minimum, the proposed equipment shall detect the following type of defects in open track and paved city streets:

- i. Transverse fissures or other centrally located transverse defects representing
- i. A new hi-rail vehicle shall be equipped with:
  - (a) An automatic change-of-direction alarm or backup alarm that provides an audible signal at least three seconds long and distinguishable from the surrounding noise; and
  - (b) An operable 360-degree intermittent warning light or beacon mounted on the outside of the vehicle.
- ii. The operator of a hi-rail vehicle shall check the vehicle for compliance with this subpart, prior to using the vehicle at the start of the operator's work shift. A non-complying condition that cannot be repaired immediately shall be tagged and dated in a manner prescribed by the employer and reported to the designated official. Non-complying automatic change of-direction alarms, backup alarms, and 360-degree intermittent warning lights or beacons shall be repaired or replaced as soon as practicable within seven calendar days.

**On-track roadway maintenance machines shall meet FRA Track Safety Standards, Section 214.527:**

- i. The operator of an on-track roadway maintenance machine shall check the machine components for compliance with this subpart, prior to using the machine at the start of the operator's work shift.
- ii. Any non-complying condition that cannot be repaired immediately shall be tagged and dated in a manner prescribed by the employer and reported to the designated official.
- iii. The operation of an on-track roadway maintenance machine with a non-complying condition shall be governed by the following requirements:
  - (a) An on-track roadway maintenance machine with headlights or work lights that are not in compliance may be operated for a period not exceeding 7 calendar days and only during the period between one-half hour before sunrise and one-half hour after sunset;
  - (b) A portable horn may be substituted for a non-complying or missing horn for a period not exceeding seven calendar days;
  - (c) A fire extinguisher readily available for use may temporarily replace a missing, defective or discharged fire extinguisher on a new on-track roadway maintenance machine for a period not exceeding 7 calendar days, pending the permanent replacement or repair of the missing, defective or used fire extinguisher;

- (d) Non-complying automatic change-of-direction alarms, backup alarms, and 360-degree intermittent warning lights or beacons shall be repaired or replaced as soon as practicable within 7 calendar days; and
- (e) A structurally defective or missing operator's seat shall be replaced or repaired within 24 hours or by the start of the machine's next tour of duty, whichever is later. The machine may be operated for the remainder of the operator's tour of duty if the defective or missing operator's seat does not prevent its safe operation.

#### **1.8. CLEARANCE FROM TRAINS**

In accordance with CPUC General Order #143B, all work performed within 72" of the track, or 30" from the edge of a station platform, shall require a designated flagman to provide on-track safety protection to workers on the right-of-way.

MTS flagman, upon approach of a train, shall notify workers to move to a minimum distance of 72" from the tracks. Once personnel are clear of the tracks, the flagman shall give the train a Proceed hand signal. If personnel are unable to clear the tracks, the flagman shall give a Stop hand signal to the approaching train. The flagman is required to give the appropriate hand signal to all approaching trains. All construction equipment and materials must maintain the same 48" clearance from the track.

#### **1.9. NOTIFICATION FROM ENERGIZED OVERHEAD CATENARY SYSTEM**

The Overhead Catenary System (OCS) is energized with 650 Volts DC at all times. In accordance with Cal-OSHA Title 8, all work, including metal ladders, metal handle extensions or other equipment, shall remain clear 10' from the overhead catenary system unless a red tag / traction power removal procedure has been submitted and approved by MTS, including the placement of ground straps at each end of the work area that are, and shall remain, visible to the workers.

#### **1.10. NOTIFICATION TO OPERATIONS CONTROL CENTER (OCC)**

The on-site contractor's supervisor or foreman with MTS Employee in Charge shall call OCC prior to entering the right-of-way and after completing their work and upon exiting the right-of-way. In the event of an emergency, OCC shall be notified immediately.

While on MTS ROW, the equipment must only be moved under the control of Contractor's personnel and as directed by the MTS Track employee in charge.

Contractor's hi-railing or operating on-track equipment on MTS's ROW:

- i. The Contractor shall provide qualified operators for the Contractor's rail-borne equipment.
- ii. The Contractor's qualified operators will be required to read and familiarize themselves with this procedure before hi-railing or operating on-track equipment.
- iii. When practical, a MTS mainline certified hi-rail employee shall ride in the Contractor's rail-borne equipment while the vehicle is operating on the ROW.



The Contractor's personnel must review the MTS's track work to be familiar with the proper clearances. MTS will provide an employee to accompany Contractor's equipment and personnel to assure that work is performed in conformance with MTS rules and procedures. This MTS employee will also be responsible for maintaining radio contact with the OCC, and for flagging, as required. All work within MTS' right-of-way is governed by the OCC who can be contacted by telephone at 619-595-4960.

The Contractor shall give notification to MTS of any locations which cannot be tested effectively due to rail conditions. Testing shall not interfere with light rail service.

The Contractor will be required to work during non-revenue service hours between 12 midnight and 4 AM hours on weekdays, and 12 midnight and 5 AM on weekends subject to track availability in coordination with MTS's OCC. Additional time may be available, however, MTS reserves the right to schedule all work around MTS's operating time tables. Train operation may continue on parallel tracks at any time.

#### **1.11. UNLOADING AND STORAGE OF THE ULTRASONIC MACHINE**

All MTS tracks are electrified with 650 Volts DC. Access for unloading can be provided during mid-morning hours in the Maintenance Yard. Overhead wire height at this location is approximately 19 feet above top of rail. Between work cycles the equipment may be stored at the Rail Maintenance Yard C 1535 Newton Avenue San Diego, CA 92113.

#### **1.12. DELIVERABLES**

Contractor shall provide complete ultrasonic testing of MTS mainlines per the scope of work.

- i. Within 20 business days of receipt of MTS's Notice To Proceed (NTP) the contractor shall submit to MTS test plans and procedures and catalog cuts and /or specifications for all test equipment and tools including current calibration certificates for equipment that will be utilized for the performance of the work for MTS's review and approval.
- ii. Within 15 days of completion of all testing, a report shall be submitted for MTS's review and approval. The report shall include each of the following sections:
  - (a) Process and Calibration of the Testing: Include all testing performed, location of testing, pictures, and any other relevant information.
  - (b) Defect Detecting: List each defect detected describing the defect with location, type, size, and recommended corrective action.
  - (c) Recommendations for Additional Testing or Further Monitoring: This section shall include recommendations for additional testing or further monitoring. This section shall also include a picture depicting the findings and markings of each rail defect with highly visible markings on both sides of the web and base.

**1.13. PAYMENT TERMS**

Unless otherwise stated in the specifications or bid forms, one hundred (100%) of the contract price for each unit or units of material or equipment furnished and delivered under these specifications, will be paid to the Contractor within thirty (30) days after delivery to and acceptance by MTS of the unit or units ordered, as herein provided, and after the statements covering the unit or units have been presented to MTS by the Contractor.

Cash discounts as shown on the bid form shall be accepted at the option of MTS. Otherwise the terms will be Net thirty (30) from acceptance. Payment terms less than ten (10) days from acceptance will not be considered. **Advanced Payment is Not Allowable**

**1.14. INVOICING AND PAYMENT**

Contractor shall email invoices to AP@sdmts.com. MTS will make payments within 30 days of invoice date. All invoices must have the date, time, and location where testing services were rendered. Contractor shall reference the MTS Purchase Order number on all invoices.

Invoices shall be based on work completed and accepted by the MTS Project Manager and must be accompanied by documented proof of acceptance by MTS. Advanced Payment is Not Allowable.

**BID FORM**Bidder: SMITH-EMERY LABORATORIES, INC

| <b>Year 1 (January 16, 2027 – January 15, 2028)</b>                             |              |                   |                   |
|---------------------------------------------------------------------------------|--------------|-------------------|-------------------|
| <b>Description</b>                                                              | <b>Miles</b> | <b>Unit Price</b> | <b>Ext. Price</b> |
| Rail Testing (S Blue, N Blue, Orange Green)                                     | 215          | 299.00            | 64,285.00         |
| *Optional miles of testing system-wide. To be exercised at MTS' sole discretion | 32           | 299.00            | 9,568.00          |
| <b>Total (Year 1)</b>                                                           |              |                   | 75,853.00         |

| <b>Year 2 (January 16, 2028 – January 15, 2029)</b>                             |              |                   |                   |
|---------------------------------------------------------------------------------|--------------|-------------------|-------------------|
| <b>Description</b>                                                              | <b>Miles</b> | <b>Unit Price</b> | <b>Ext. Price</b> |
| Rail Testing (S Blue, N Blue, Orange Green)                                     | 215          | 299.00            | 64,285.00         |
| *Optional miles of testing system-wide. To be exercised at MTS' sole discretion | 32           | 299.00            | 9,568.00          |
| <b>Total (Year 2)</b>                                                           |              |                   | 75,853.00         |

| <b>Year 3 (January 16, 2029 – January 15, 2030)</b>                             |              |                   |                   |
|---------------------------------------------------------------------------------|--------------|-------------------|-------------------|
| <b>Description</b>                                                              | <b>Miles</b> | <b>Unit Price</b> | <b>Ext. Price</b> |
| Rail Testing (S Blue, N Blue, Orange Green)                                     | 215          | 299.00            | 64,285.00         |
| *Optional miles of testing system-wide. To be exercised at MTS' sole discretion | 32           | 299.00            | 9,568.00          |
| <b>Total (Year 3)</b>                                                           |              |                   | 75,853.00         |

| <b>Year 4 (January 16, 2030 – January 15, 2031)</b>                             |              |                   |                   |
|---------------------------------------------------------------------------------|--------------|-------------------|-------------------|
| <b>Description</b>                                                              | <b>Miles</b> | <b>Unit Price</b> | <b>Ext. Price</b> |
| Rail Testing (S Blue, N Blue, Orange Green)                                     | 215          | 299.00            | 64,285.00         |
| *Optional miles of testing system-wide. To be exercised at MTS' sole discretion | 32           | 299.00            | 9,568.00          |
| <b>Total (Year 4)</b>                                                           |              |                   | 75,853.00         |

| <b>Year 5 (January 16, 2031 – January 15, 2032)</b>                             |              |                   |                   |
|---------------------------------------------------------------------------------|--------------|-------------------|-------------------|
| <b>Description</b>                                                              | <b>Miles</b> | <b>Unit Price</b> | <b>Ext. Price</b> |
| Rail Testing (S Blue, N Blue, Orange Green)                                     | 215          | 299.00            | 64,285.00         |
| *Optional miles of testing system-wide. To be exercised at MTS' sole discretion | 32           | 299.00            | 9,568.00          |
| <b>Total (Year 5)</b>                                                           |              |                   | 75,853.00         |

**BID FORM (CONTINUED)**

| <b>Summary</b>                               |                   |
|----------------------------------------------|-------------------|
| Description                                  | Totals            |
| Year 1 (January 16, 2027 – January 15, 2028) | 64,285.00         |
| Year 2 (January 16, 2028 – January 15, 2029) | 64,285.00         |
| Year 3 (January 16, 2029 – January 15, 2030) | 64,285.00         |
| Year 4 (January 16, 2030 – January 15, 2031) | 64,285.00         |
| Year 5 (January 16, 2031 – January 15, 2032) | 64,285.00         |
| <b>Grand Total (Basis of Award)</b>          | <b>379,265.00</b> |

Bidder shall submit pricing for all the work described in the Scope of Work section. In preparing a cost bid, Bidders are requested to provide a total all-inclusive cost.

Estimated quantities are for bid purposes only. The quantities do not reflect guaranteed usage by MTS and may be more or less than indicated.

Unit prices will prevail regardless of extensions submitted by the Bidder.

Bidder accepts responsibility for accuracy and presentation of the numbers included in the cost/price form.

All bidders must complete bid forms as provided, failure to do so will deem the bid non-responsive.



**Metropolitan  
Transit  
System**

**DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 9/3/2026**

## **Agenda Item No. 07**

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

**September 17, 2026**

**SUBJECT:**

Application for Volkswagen (VW) Environmental Mitigation Trust Fund Bus Replacement Program

**RECOMMENDATION:**

That the San Diego Metropolitan Transit System (MTS) Board of Directors approve Resolution No. 26-14 (Attachment A), authorizing the application for rebates of up to \$813,500 in VW Trust funds for the current and future purchase of battery electric buses.

**Budget Impact**

If awarded, MTS will receive rebates of up to \$813,500 in VW Trust funds for current and future battery electric bus procurements.

**DISCUSSION:**

The VW Trust provides about \$423 million in one-time discretionary funding for California to mitigate the excess nitrogen oxide (NOX) emissions caused by VW's installation of special devices in certain VW diesel vehicles to get false negative results during emission testing. \$130 million of the VW Trust funding has been made available to replace older, high-polluting transit buses with new battery-electric or fuel-cell buses. There is approximately \$813,500 in remaining discretionary funds available. The Trust is being administered by San Joaquin Valley Air Pollution Control District.

Currently, MTS is in the process of applying to San Joaquin Valley Air Pollution Control for rebate funding, with a maximum of \$216,000 available per transit bus. MTS previously applied for and received \$900,000 in VW Trust funding across five buses, which resulted in a \$180,000 award per bus. For this current application, MTS plans to submit applications for up to the maximum amount of funding remaining and available in the program. While there is over \$800,000 remaining in this program, other agencies will also be competing for access to this funding. MTS is not guaranteed funding and may receive less than the maximum amount of funding available.. These rebate applications are being submitted to support the current purchase of battery-electric buses. San Joaquin Valley Air Pollution Control District requires the



submission of a resolution by each agency's Board of Directors authorizing the submission of an application and identifying the signing authority for the project.

Therefore, staff recommends that the MTS Board of Directors approve Resolution No. 26-14 (Attachment A), authorizing the application for rebates of up to \$813,500 in VW Trust funds for the current and future purchase of battery electric buses.

/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. Resolution No. 26-14

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Resolution No. 26-14

Resolution Authorizing the Application Submittal, Project Implementation and Signing Authority  
for Volkswagen (VW) Mitigation Trust Funding

WHEREAS, the San Diego Metropolitan Transit System (MTS) is an eligible project sponsor and may receive funding from the VW Mitigation Trust Fund for the purchase of battery electric buses to replace the existing compressed natural gas (CNG) buses; and

WHEREAS, the MTS Board of Directors (Board) wishes to delegate authorization to execute these documents and any amendments thereto to the Chief Executive Officer (CEO), or designated representatives; and

NOW THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED by the MTS Board that MTS agrees to comply with all conditions and requirements set forth in the Certification and Assurances document; and

BE IT FURTHER RESOLVED by the MTS Board that the CEO, or designated representative, be authorized to execute all required documents of the VW Mitigation Trust Fund and any Amendments thereto; and

BE IT FURTHER RESOLVED by the Board that MTS is authorized to make application for, to sign required assurances, and to administer the VW Environmental Mitigation Trust Funds with respect to applications for Local, State and Federal program, projects or grants.

PASSED AND ADOPTED, by the Board of Directors this 17th day of September, 2026 by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

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Chairperson  
San Diego Metropolitan Transit  
System

Filed by:

Approved as to form:

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Clerk of the Board  
San Diego Metropolitan Transit  
System

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General Counsel  
San Diego Metropolitan Transit  
System

Resolution No. 26-14





**Metropolitan  
Transit  
System**

**DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 9/3/2026**

## **Agenda Item No. 08**

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

**September 17, 2026**

**SUBJECT:**

**Purchase of Bus Operator Uniforms – 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. B0795.0-26 (in substantially the same format as Attachment A), with Ace Uniforms LLC (Ace Uniforms), for the purchase of bus operator uniforms for a three (3) year base period with two (2) 1-year options, for a total of five (5) years in the amount of \$913,162.11; and
- 2) Exercise the option years at the CEO's discretion.

**Budget Impact**

The total cost of this contract is estimated to be \$913,162.11 (\$847,482.24 + \$65,679.87 CA Sales Tax) (Attachment B). The project will be funded by Bus Transportation Operations Operating Budget account 213014-571280.

**DISCUSSION:**

As part of MTS Bus operations, a uniform vendor is needed. All new bus operators are provided with a set of uniforms at no cost. Bus operators and supervisors are also provided with a selection of approved uniform pieces/options for purchase with an agency-provided allowance each year. In addition, there are special orders throughout the year for special awards and other ongoing campaigns. As a result, MTS sought a vendor to provide the approved uniform options, plus alterations, patches, and embroidery.

On May 26, 2026, MTS released a Request for Proposals (RFP) for Bus Operator Uniforms. MTS received five (5) proposals on the due date of July 10, 2026, from the following firms.



| Proposer                  | Firm Certification                                                                                                         |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------|
| Ace Uniforms              | N/A                                                                                                                        |
| Fully Promoted            | Small Business (SB) (Micro), Veteran-Owned Small Business (VOS) and Service-Disabled Veteran-Owned Small Business (SDVOSB) |
| Mission Linen Supply      | N/A                                                                                                                        |
| Prudential Overall Supply | N/A                                                                                                                        |
| Uniform Warehouse         | SB                                                                                                                         |

Fully Promoted and Mission Linen Supply were both deemed non-responsive. Fully Promoted did not submit the required forms and Mission Linen Supply did not submit a technical proposal to evaluate. The remaining three (3) proposals were deemed responsive and responsible and were forwarded to the evaluation committee. The evaluation committee was comprised of representatives from the MTS Bus Transportation and Finance departments. The proposals were evaluated based on the following criteria:

|                                                |      |
|------------------------------------------------|------|
| 1. Qualifications of the Firm or Individual    | 20%  |
| 2. Staffing, Organization, and Management Plan | 20%  |
| 3. Work Plan                                   | 30%  |
| 4. Cost and Price                              | 30%  |
|                                                | 100% |

The following table illustrates the initial scores of the proposers:

| PROPOSER                  | TOTAL COST   | COST SCORE | AVG TECH SCORE | TOTAL AVG SCORE<br>(TOTAL POSSIBLE: 100) | RANKING |
|---------------------------|--------------|------------|----------------|------------------------------------------|---------|
| Ace Uniforms              | \$913,162.11 | 26.52      | 62.00          | 88.52                                    | 1       |
| Uniform Warehouse         | \$807,314.21 | 30.00      | 47.33          | 77.33                                    | 2       |
| Prudential Overall Supply | \$938,098.27 | 25.82      | 42.00          | 67.82                                    | 3       |

After the initial evaluation, MTS determined Ace Uniforms provided the best overall value and did not have any additional questions.

On July 28, 2026, MTS requested a revised cost proposal, but Ace Uniforms did not reduce the pricing. In comparison to MTS's Independent Cost Estimate (ICE) in the amount of \$839,518.89 and proposals received, staff determined Ace Uniforms' pricing to be fair and reasonable.

Based on the objectives of this procurement, consideration of the evaluation criteria and Ace Uniforms' technical and cost proposals, the evaluation committee determined that Ace Uniforms presented the best overall value to MTS.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to:

- 1) Execute MTS Doc. No. B0795.0-26 (in substantially the same format as Attachment A), with Ace Uniforms, for the purchase of bus operator uniforms for a three (3) year base period with two (2) 1-year options, for a total of five (5) years in the amount of \$913,162.11; and
- 2) Exercise the option years at the CEO's discretion Exercise the option years 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 Agreement MTS Doc, No. B0795.0-26  
B. Cost Proposal



# Metropolitan Transit System

## STANDARD AGREEMENT FOR MTS DOC. NO. B0795.0-26 BUS OPERATOR UNIFORMS

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2026 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: <u>ACE Uniforms LLC</u>                                                     | Address: <u>633 16<sup>th</sup> Street</u>                                     |
|                                                                                   | <u>San Diego</u> <u>CA</u> <u>92101</u>                                        |
|                                                                                   | <u>City</u> <u>State</u> <u>Zip</u>                                            |
| Form of Business: <u>LLC</u><br>(Corporation, Partnership, Sole Proprietor, etc.) | Email: <u><a href="mailto:frank@aceuniforms.com">frank@aceuniforms.com</a></u> |
| Telephone: <u>619-762-7632</u>                                                    |                                                                                |
| Authorized person to sign contracts _____                                         | Director of Sales _____                                                        |
| Name                                                                              | Title                                                                          |

The Contractor agrees to provide goods as specified in the conformed Scope of Work/Technical Specification (Exhibit A), Contractor's Cost/Pricing Form (Exhibit B), and in accordance with the Standard Agreement, including Standard Conditions (Exhibit C), Forms (Exhibit D).

The contract term is for three (3) base years and two (2) 1-year options, exercisable at MTS's sole discretion, for a total of five (5) years. Base period shall be effective November 1, 2026 through October 31, 2029 and option years shall be effective November 1, 2029 through October 31, 2031, if exercised by MTS.

Payment terms shall be net 30 days from invoice date. The total cost of this contract shall not exceed \$520,980.04 for the base years and \$392,182.08 for the option years, for a contract total not to exceed \$913,162.11 (inclusive of 7.750% CA Sales Tax) without the express written consent of MTS.

| SAN DIEGO METROPOLITAN TRANSIT<br>SYSTEM               | ACE UNIFORMS LLC |
|--------------------------------------------------------|------------------|
| By:<br>_____<br>Sharon Cooney, Chief Executive Officer | By<br>_____      |
| Approved as to form:                                   |                  |
| By:<br>_____<br>Karen Landers, General Counsel         | Title:<br>_____  |



**BUS OPERATOR UNIFORMS**  
**B0795.0-26 Bus Operator Uniforms RFP**

**Vendor: Ace Uniforms**

Note: where embroidery is mentioned on the left or right arm, a patch with the artwork may be affixed instead.

|        |                                                            |          |                                     |                       |            |      | Year 1     |                | Year 2     |                | Year 3     |                | Year 4 (Option Year 1) |                | Year 5 (Option Year 2) |                |
|--------|------------------------------------------------------------|----------|-------------------------------------|-----------------------|------------|------|------------|----------------|------------|----------------|------------|----------------|------------------------|----------------|------------------------|----------------|
| Line # | Description                                                | Left Arm | Right Arm                           | Left Chest Embroidery | Size       | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price             | Extended Price | Unit Price             | Extended Price |
| 1      | Men's Dress Shirts, Short Sleeve Edward, Light Blue (1212) | None     | Welcome Aboard or Safe Driver Patch | None                  | Small      | 9    | \$31.82    | \$286.40       | \$33.41    | \$300.72       | \$35.08    | \$315.76       | \$36.84                | \$331.55       | \$38.68                | \$348.12       |
| 2      |                                                            |          |                                     |                       | Medium     | 21   | \$31.82    | \$668.27       | \$33.41    | \$701.69       | \$35.08    | \$736.77       | \$36.84                | \$773.61       | \$38.68                | \$812.29       |
| 3      |                                                            |          |                                     |                       | Large      | 35   | \$31.82    | \$1,113.79     | \$33.41    | \$1,169.48     | \$35.08    | \$1,227.95     | \$36.84                | \$1,289.35     | \$38.68                | \$1,353.82     |
| 4      |                                                            |          |                                     |                       | XLarge     | 30   | \$31.82    | \$954.68       | \$33.41    | \$1,002.41     | \$35.08    | \$1,052.53     | \$36.84                | \$1,105.16     | \$38.68                | \$1,160.42     |
| 5      |                                                            |          |                                     |                       | 2XL - 3XL  | 5    | \$37.18    | \$185.89       | \$39.04    | \$195.18       | \$40.99    | \$204.94       | \$43.04                | \$215.19       | \$45.19                | \$225.95       |
| 6      |                                                            |          |                                     |                       | Tall-L     | 5    | \$37.18    | \$185.89       | \$39.04    | \$195.18       | \$40.99    | \$204.94       | \$43.04                | \$215.19       | \$45.19                | \$225.95       |
| 7      |                                                            |          |                                     |                       | Tall-XL    | 5    | \$37.18    | \$185.89       | \$39.04    | \$195.18       | \$40.99    | \$204.94       | \$43.04                | \$215.19       | \$45.19                | \$225.95       |
| 8      |                                                            |          |                                     |                       | Tall-2XL   | 4    | \$37.18    | \$148.71       | \$39.04    | \$156.15       | \$40.99    | \$163.95       | \$43.04                | \$172.15       | \$45.19                | \$180.76       |
| 9      |                                                            |          |                                     |                       | Tall-3XL   | 4    | \$39.85    | \$159.42       | \$41.85    | \$167.39       | \$43.94    | \$175.76       | \$46.14                | \$184.55       | \$48.44                | \$193.78       |
| 10     |                                                            |          |                                     |                       | Tall-4XL   | 4    | \$39.85    | \$159.42       | \$41.85    | \$167.39       | \$43.94    | \$175.76       | \$46.14                | \$184.55       | \$48.44                | \$193.78       |
| 11     |                                                            |          |                                     |                       | Tall-5XL   | 4    | \$45.23    | \$180.90       | \$47.49    | \$189.95       | \$49.86    | \$199.45       | \$52.35                | \$209.42       | \$54.97                | \$219.89       |
| 12     |                                                            |          |                                     |                       | Tall-6XL   | 4    | \$45.23    | \$180.90       | \$47.49    | \$189.95       | \$49.86    | \$199.45       | \$52.35                | \$209.42       | \$54.97                | \$219.89       |
|        |                                                            |          |                                     |                       | Subtotal : |      | \$4,410.16 |                | Subtotal   | \$4,630.67     | Subtotal   | \$4,862.20     | Subtotal               | \$5,105.31     | Subtotal               | \$5,360.58     |

| Line #     | Description                                               |      |                                     |      | Size      | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |
|------------|-----------------------------------------------------------|------|-------------------------------------|------|-----------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|
| 1          | Men's Dress Shirts, Long Sleeve Edward, Light Blue (1262) | None | Welcome Aboard or Safe Driver Patch | None | XSmall    | 5    | \$32.58    | \$162.90       | \$34.21    | \$171.05       | \$35.92    | \$179.60       | \$37.72    | \$188.58       | \$39.60    | \$198.01       |
| 2          |                                                           |      |                                     |      | Small     | 5    | \$32.58    | \$162.90       | \$34.21    | \$171.05       | \$35.92    | \$179.60       | \$37.72    | \$188.58       | \$39.60    | \$198.01       |
| 3          |                                                           |      |                                     |      | Medium    | 25   | \$32.58    | \$814.52       | \$34.21    | \$855.24       | \$35.92    | \$898.00       | \$37.72    | \$942.90       | \$39.60    | \$990.05       |
| 4          |                                                           |      |                                     |      | Large     | 19   | \$32.58    | \$619.03       | \$34.21    | \$649.98       | \$35.92    | \$682.48       | \$37.72    | \$716.61       | \$39.60    | \$752.44       |
| 5          |                                                           |      |                                     |      | XLarge    | 25   | \$32.58    | \$814.52       | \$34.21    | \$855.24       | \$35.92    | \$898.00       | \$37.72    | \$942.90       | \$39.60    | \$990.05       |
| 6          |                                                           |      |                                     |      | 2XL - 3XL | 15   | \$38.10    | \$571.45       | \$40.00    | \$600.02       | \$42.00    | \$630.03       | \$44.10    | \$661.53       | \$46.31    | \$694.60       |
| 7          |                                                           |      |                                     |      | 4XL - 5XL | 15   | \$40.85    | \$612.82       | \$42.90    | \$643.46       | \$45.04    | \$675.64       | \$47.29    | \$709.42       | \$49.66    | \$744.89       |
| 8          |                                                           |      |                                     |      | 6XL       | 5    | \$46.37    | \$231.85       | \$48.69    | \$243.45       | \$51.12    | \$255.62       | \$53.68    | \$268.40       | \$56.36    | \$281.82       |
| Subtotal : |                                                           |      |                                     |      |           |      | \$3,990.00 |                | Subtotal   | \$4,189.50     | Subtotal   | \$4,398.98     | Subtotal   | \$4,618.92     | Subtotal   | \$4,849.87     |

| Line # | Description                                                         |      |                                     |      | Size       | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |            |          |  |            |
|--------|---------------------------------------------------------------------|------|-------------------------------------|------|------------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------|--|------------|
| 1      | Women's Dress Shirts, Long Sleeve Oxford, Light Blue (5262 Edwards) | None | Welcome Aboard or Safe Driver Patch | None | XSmall     | 5    | \$32.58    | \$162.90       | \$34.21    | \$171.05       | \$35.92    | \$179.60       | \$37.72    | \$188.58       | \$39.60    | \$198.01       |            |          |  |            |
| 2      |                                                                     |      |                                     |      | Small      | 5    | \$32.58    | \$162.90       | \$34.21    | \$171.05       | \$35.92    | \$179.60       | \$37.72    | \$188.58       | \$39.60    | \$198.01       |            |          |  |            |
| 3      |                                                                     |      |                                     |      | Medium     | 9    | \$32.58    | \$293.23       | \$34.21    | \$307.89       | \$35.92    | \$323.28       | \$37.72    | \$339.45       | \$39.60    | \$356.42       |            |          |  |            |
| 4      |                                                                     |      |                                     |      | Large      | 17   | \$32.58    | \$553.87       | \$34.21    | \$581.56       | \$35.92    | \$610.64       | \$37.72    | \$641.17       | \$39.60    | \$673.23       |            |          |  |            |
| 5      |                                                                     |      |                                     |      | XLarge     | 5    | \$32.58    | \$162.90       | \$34.21    | \$171.05       | \$35.92    | \$179.60       | \$37.72    | \$188.58       | \$39.60    | \$198.01       |            |          |  |            |
| 6      |                                                                     |      |                                     |      | 2XL - 3XL  | 5    | \$38.10    | \$190.48       | \$40.00    | \$200.01       | \$42.00    | \$210.01       | \$44.10    | \$220.51       | \$46.31    | \$231.53       |            |          |  |            |
|        |                                                                     |      |                                     |      | Subtotal : |      |            | \$1,526.29     | Subtotal   |                | \$1,602.60 | Subtotal       |            | \$1,682.74     | Subtotal   |                | \$1,766.87 | Subtotal |  | \$1,855.22 |

| Line #     | Description                                                          |      |                                     |      | Size      | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |
|------------|----------------------------------------------------------------------|------|-------------------------------------|------|-----------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|
| 1          | Women's Dress Shirts, Short Sleeve Oxford, Light Blue (5212 Edwards) | None | Welcome Aboard or Safe Driver Patch | None | XSmall    | 5    | \$31.82    | \$159.11       | \$33.41    | \$167.07       | \$35.08    | \$175.42       | \$36.84    | \$184.19       | \$38.68    | \$193.40       |
| 2          |                                                                      |      |                                     |      | Small     | 5    | \$31.82    | \$159.11       | \$33.41    | \$167.07       | \$35.08    | \$175.42       | \$36.84    | \$184.19       | \$38.68    | \$193.40       |
| 3          |                                                                      |      |                                     |      | Medium    | 13   | \$31.82    | \$413.69       | \$33.41    | \$434.38       | \$35.08    | \$456.10       | \$36.84    | \$478.90       | \$38.68    | \$502.85       |
| 4          |                                                                      |      |                                     |      | Large     | 13   | \$31.82    | \$413.69       | \$33.41    | \$434.38       | \$35.08    | \$456.10       | \$36.84    | \$478.90       | \$38.68    | \$502.85       |
| 5          |                                                                      |      |                                     |      | XLarge    | 5    | \$31.82    | \$159.11       | \$33.41    | \$167.07       | \$35.08    | \$175.42       | \$36.84    | \$184.19       | \$38.68    | \$193.40       |
| 6          |                                                                      |      |                                     |      | 2XL - 3XL | 5    | \$37.18    | \$185.89       | \$39.04    | \$195.18       | \$40.99    | \$204.94       | \$43.04    | \$215.19       | \$45.19    | \$225.95       |
| Subtotal : |                                                                      |      |                                     |      |           |      | \$1,490.61 |                | Subtotal   | \$1,565.14     | Subtotal   | \$1,643.40     | Subtotal   | \$1,725.57     | Subtotal   | \$1,811.85     |

| Line #     | Description                                                 |             |                                        |                                 | Size      | Qty. | Unit Price  | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |
|------------|-------------------------------------------------------------|-------------|----------------------------------------|---------------------------------|-----------|------|-------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|
| 1          | Men's Polo Shirts with Pocket, Royal Blue<br>(Red Kap SK98) | Union Patch | Welcome Aboard or<br>Safe Driver Patch | Red<br>MTS Logo<br>Bus Operator | Small     | 46   | \$1,899.35  | \$43.35        | \$1,994.32 | \$45.52        | \$2,094.04 | \$47.80        | \$2,198.74 | \$50.19        | \$2,308.68 |                |
| 2          |                                                             |             |                                        |                                 | Medium    | 146  | \$41.29     | \$6,028.39     | \$43.35    | \$6,329.81     | \$45.52    | \$6,646.30     | \$47.80    | \$6,978.61     | \$50.19    | \$7,327.54     |
| 3          |                                                             |             |                                        |                                 | Large     | 167  | \$41.29     | \$6,895.48     | \$43.35    | \$7,240.26     | \$45.52    | \$7,602.27     | \$47.80    | \$7,982.38     | \$50.19    | \$8,381.50     |
| 4          |                                                             |             |                                        |                                 | XL - 2XL  | 209  | \$41.29     | \$8,629.68     | \$43.35    | \$9,061.16     | \$45.52    | \$9,514.22     | \$47.80    | \$9,989.93     | \$50.19    | \$10,489.43    |
| 5          |                                                             |             |                                        |                                 | 3XL - 4XL | 84   | \$41.29     | \$3,468.39     | \$43.35    | \$3,641.81     | \$45.52    | \$3,823.90     | \$47.80    | \$4,015.09     | \$50.19    | \$4,215.85     |
| 6          |                                                             |             |                                        |                                 | 5XL - 6XL | 25   | \$41.29     | \$1,032.26     | \$43.35    | \$1,083.87     | \$45.52    | \$1,138.06     | \$47.80    | \$1,194.97     | \$50.19    | \$1,254.72     |
| Subtotal : |                                                             |             |                                        |                                 |           |      | \$27,953.55 |                | Subtotal   | \$29,351.23    | Subtotal   | \$30,818.79    | Subtotal   | \$32,359.73    | Subtotal   | \$33,977.71    |

| Line # | Description                                                   |             |                                     |                           | Size       | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |          |  |            |  |          |  |            |
|--------|---------------------------------------------------------------|-------------|-------------------------------------|---------------------------|------------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|----------|--|------------|--|----------|--|------------|
| 1      | Women's Polo Shirts with no Pocket, Royal Blue (Red Kap SK97) | Union Patch | Welcome Aboard or Safe Driver Patch | Red MTS Logo Bus Operator | XSmall     | 9    | \$40.13    | \$361.16       | \$42.14    | \$379.22       | \$44.24    | \$398.18       | \$46.45    | \$418.09       | \$48.78    | \$438.99       |          |  |            |  |          |  |            |
| 2      |                                                               |             |                                     |                           | Small      | 9    | \$40.13    | \$361.16       | \$42.14    | \$379.22       | \$44.24    | \$398.18       | \$46.45    | \$418.09       | \$48.78    | \$438.99       |          |  |            |  |          |  |            |
| 3      |                                                               |             |                                     |                           | Medium     | 21   | \$40.13    | \$842.71       | \$42.14    | \$884.85       | \$44.24    | \$929.09       | \$46.45    | \$975.54       | \$48.78    | \$1,024.32     |          |  |            |  |          |  |            |
| 4      |                                                               |             |                                     |                           | Large      | 21   | \$40.13    | \$842.71       | \$42.14    | \$884.85       | \$44.24    | \$929.09       | \$46.45    | \$975.54       | \$48.78    | \$1,024.32     |          |  |            |  |          |  |            |
| 5      |                                                               |             |                                     |                           | XLarge     | 21   | \$40.13    | \$842.71       | \$42.14    | \$884.85       | \$44.24    | \$929.09       | \$46.45    | \$975.54       | \$48.78    | \$1,024.32     |          |  |            |  |          |  |            |
| 6      |                                                               |             |                                     |                           | 2XL        | 17   | \$40.13    | \$682.19       | \$42.14    | \$716.30       | \$44.24    | \$752.12       | \$46.45    | \$789.72       | \$48.78    | \$829.21       |          |  |            |  |          |  |            |
| 7      |                                                               |             |                                     |                           | 3XL        | 9    | \$40.13    | \$361.16       | \$42.14    | \$379.22       | \$44.24    | \$398.18       | \$46.45    | \$418.09       | \$48.78    | \$438.99       |          |  |            |  |          |  |            |
|        |                                                               |             |                                     |                           | Subtotal : |      | \$4,293.81 |                | Subtotal   |                | \$4,508.50 |                | Subtotal   |                | \$4,733.92 |                | Subtotal |  | \$4,970.62 |  | Subtotal |  | \$5,219.15 |

| PANTS AND SHORTS |                                        |      |      |      |                       |      |            |                |            |                |            |                |            |                |            |                |
|------------------|----------------------------------------|------|------|------|-----------------------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|
| Line #           | Description                            |      |      |      | Size                  | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |
| 1                | Men's Dress Pants, Navy (Red Kap PT60) | None | None | None | Waist size 42 & Under | 250  | \$25.55    | \$6,387.10     | \$26.83    | \$6,706.45     | \$28.17    | \$7,041.77     | \$29.58    | \$7,393.86     | \$31.05    | \$7,763.56     |
| 2                |                                        |      |      |      | Waist size 44 - 60    | 40   | \$25.55    | \$1,021.94     | \$26.83    | \$1,073.03     | \$28.17    | \$1,126.68     | \$29.58    | \$1,183.02     | \$31.05    | \$1,242.17     |
|                  |                                        |      |      |      |                       |      | Subtotal : | \$7,409.03     | Subtotal   | \$7,779.48     | Subtotal   | \$8,168.46     | Subtotal   | \$8,576.88     | Subtotal   | \$9,005.73     |

| Line #     | Description                              |      |      |      | Size                   | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |          |  |             |
|------------|------------------------------------------|------|------|------|------------------------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|----------|--|-------------|
| 1          | Women's Dress Pants, Navy (Red Kap PT61) | None | None | None | Special Order size 0-2 | 5    | \$51.08    | \$255.40       | \$53.63    | \$268.17       | \$56.32    | \$281.58       | \$59.13    | \$295.66       | \$62.09    | \$310.44       |          |  |             |
| 2          |                                          |      |      |      | Waist size 4 - 18      | 300  | \$25.55    | \$7,664.52     | \$26.83    | \$8,047.74     | \$28.17    | \$8,450.13     | \$29.58    | \$8,872.64     | \$31.05    | \$9,316.27     |          |  |             |
| 3          |                                          |      |      |      | Waist size 20-28       | 40   | \$25.55    | \$1,021.94     | \$26.83    | \$1,073.03     | \$28.17    | \$1,126.68     | \$29.58    | \$1,183.02     | \$31.05    | \$1,242.17     |          |  |             |
| Subtotal : |                                          |      |      |      |                        |      | \$9,941.85 | Subtotal       |            | \$9,388.95     | Subtotal   |                | \$9,858.39 | Subtotal       |            | \$10,351.31    | Subtotal |  | \$10,868.88 |

| Line # | Description                                                     |      |      |      | Size                  | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |
|--------|-----------------------------------------------------------------|------|------|------|-----------------------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|
| 1      | Men's Pants, Heavier Fabric, Navy (Tact Squad Style No. 7002NE) | None | None | None | Waist size 42 & Under | 200  | \$28.61    | \$5,722.58     | \$30.04    | \$6,008.71     | \$31.55    | \$6,309.15     | \$33.12    | \$6,624.60     | \$34.78    | \$6,955.83     |
| 2      |                                                                 |      |      |      | Waist size 44 - 54    | 50   | \$31.08    | \$1,554.03     | \$32.63    | \$1,631.73     | \$34.27    | \$1,713.32     | \$35.98    | \$1,798.99     | \$37.78    | \$1,888.94     |
|        | Subtotal :                                                      |      |      |      |                       |      | \$7,276.61 | Subtotal       |            | \$7,640.44     | Subtotal   |                | \$8,022.47 | Subtotal       |            | \$8,423.59     |

| Line #     | Description                                                        |      |      |      | Size              | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |          |  |            |
|------------|--------------------------------------------------------------------|------|------|------|-------------------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|----------|--|------------|
| 1          | Women's Pants, Heavier Fabric, Navy (Tact Squad Style No. 7002NWE) | None | None | None | Waist size 0 - 18 | 40   | \$28.61    | \$1,144.52     | \$30.04    | \$1,201.74     | \$31.55    | \$1,261.83     | \$33.12    | \$1,324.92     | \$34.78    | \$1,391.17     |          |  |            |
| 2          |                                                                    |      |      |      | Waist size 20-28  | 15   | \$31.08    | \$466.21       | \$32.63    | \$489.52       | \$34.27    | \$514.00       | \$35.98    | \$539.70       | \$37.78    | \$566.68       |          |  |            |
| Subtotal : |                                                                    |      |      |      |                   |      | \$1,610.73 | Subtotal       |            | \$1,691.26     | Subtotal   |                | \$1,775.83 | Subtotal       |            | \$1,864.62     | Subtotal |  | \$1,957.85 |

| Line # | Description                                 |      |      |      | Size                  | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |
|--------|---------------------------------------------|------|------|------|-----------------------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|
| 1      | Men's Shorts, Navy (Dickies Style No. LR30) | None | None | None | Waist size 42 & Under | 180  | \$19.81    | \$3,565.16     | \$20.80    | \$3,743.42     | \$21.84    | \$3,930.59     | \$22.93    | \$4,127.12     | \$24.07    | \$4,333.48     |
| 2      |                                             |      |      |      | Waist size 44 - 54    | 50   | \$19.81    | \$990.32       | \$20.80    | \$1,039.84     | \$21.84    | \$1,091.83     | \$22.93    | \$1,146.42     | \$24.07    | \$1,203.74     |
|        |                                             |      |      |      | Subtotal :            |      | \$4,555.48 |                | Subtotal   | \$4,783.26     | Subtotal   | \$5,022.42     | Subtotal   | \$5,273.54     | Subtotal   | \$5,537.22     |

| Line # | Description                                   |      |      |      | Size             | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |          |          |  |          |
|--------|-----------------------------------------------|------|------|------|------------------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|----------|----------|--|----------|
| 1      | Women's Shorts, Navy (Edwards Style No. 8435) | None | None | None | Waist size - 18  | 9    | \$23.76    | \$213.82       | \$24.95    | \$224.51       | \$26.19    | \$235.74       | \$27.50    | \$247.53       | \$28.88    | \$259.90       |          |          |  |          |
| 2      |                                               |      |      |      | Waist size 20-28 | 5    | \$28.50    | \$142.50       | \$29.93    | \$149.63       | \$31.42    | \$157.11       | \$32.99    | \$164.96       | \$34.64    | \$173.21       |          |          |  |          |
|        | Subtotal :                                    |      |      |      |                  |      |            | \$356.32       | Subtotal   |                | \$374.14   | Subtotal       |            | \$392.85       | Subtotal   |                | \$412.49 | Subtotal |  | \$433.11 |

| JACKETS, SWEATERS, ACCESSORIES |                                                                                        |      |                                     |                           |            |      |            |                |            |                |            |                |            |                |            |                |            |          |  |            |
|--------------------------------|----------------------------------------------------------------------------------------|------|-------------------------------------|---------------------------|------------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------|--|------------|
| Line #                         | Description                                                                            |      |                                     |                           | Size       | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |            |          |  |            |
| 1                              | Men's & Women's Jacket with Reflective Stripes, Navy (Port Authority Style Nos. J754R) | None | Welcome Aboard or Safe Driver Patch | Red MTS Logo Bus Operator | XSmall     | 5    | \$68.95    | \$344.76       | \$72.40    | \$362.00       | \$76.02    | \$380.10       | \$79.82    | \$399.10       | \$83.81    | \$419.06       |            |          |  |            |
| 2                              |                                                                                        |      |                                     |                           | Small      | 5    | \$68.95    | \$344.76       | \$72.40    | \$362.00       | \$76.02    | \$380.10       | \$79.82    | \$399.10       | \$83.81    | \$419.06       |            |          |  |            |
| 3                              |                                                                                        |      |                                     |                           | Medium     | 9    | \$68.95    | \$620.56       | \$72.40    | \$651.59       | \$76.02    | \$684.17       | \$79.82    | \$718.38       | \$83.81    | \$754.30       |            |          |  |            |
| 4                              |                                                                                        |      |                                     |                           | Large      | 15   | \$68.95    | \$1,034.27     | \$72.40    | \$1,085.99     | \$76.02    | \$1,140.29     | \$79.82    | \$1,197.30     | \$83.81    | \$1,257.17     |            |          |  |            |
| 5                              |                                                                                        |      |                                     |                           | XLarge     | 10   | \$68.95    | \$689.52       | \$72.40    | \$723.99       | \$76.02    | \$760.19       | \$79.82    | \$798.20       | \$83.81    | \$838.11       |            |          |  |            |
| 6                              |                                                                                        |      |                                     |                           | 2XL        | 10   | \$70.52    | \$705.16       | \$74.04    | \$740.42       | \$77.74    | \$777.44       | \$81.63    | \$816.31       | \$85.71    | \$857.13       |            |          |  |            |
| 7                              |                                                                                        |      |                                     |                           | 3XL        | 5    | \$73.65    | \$368.23       | \$77.33    | \$386.64       | \$81.19    | \$405.97       | \$85.25    | \$426.27       | \$89.52    | \$447.58       |            |          |  |            |
| 8                              |                                                                                        |      |                                     |                           | 4XL        | 3    | \$75.21    | \$225.63       | \$78.97    | \$236.91       | \$82.92    | \$248.76       | \$87.06    | \$261.19       | \$91.42    | \$274.25       |            |          |  |            |
| 9                              |                                                                                        |      |                                     |                           | 5XL        | 3    | \$78.34    | \$235.02       | \$82.26    | \$246.77       | \$86.37    | \$259.11       | \$90.69    | \$272.06       | \$95.22    | \$286.66       |            |          |  |            |
| 10                             |                                                                                        |      |                                     |                           | 6XL        | 2    | \$79.90    | \$159.81       | \$83.90    | \$167.80       | \$88.09    | \$176.19       | \$92.50    | \$185.00       | \$97.12    | \$194.25       |            |          |  |            |
|                                |                                                                                        |      |                                     |                           | Subtotal : |      |            | \$4,727.71     | Subtotal   |                | \$4,964.10 | Subtotal       |            | \$5,212.30     | Subtotal   |                | \$5,472.91 | Subtotal |  | \$5,746.56 |

| Line # | Description                                                                                                |      |                                     |                           | Size             | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |          |  |            |  |          |  |            |
|--------|------------------------------------------------------------------------------------------------------------|------|-------------------------------------|---------------------------|------------------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|----------|--|------------|--|----------|--|------------|
| 1      | Men's & Women's Jacket <u>without Reflective Stripes</u> , Navy (Port Authority Style Nos. J754 or TLJ754) | None | Welcome Aboard or Safe Driver Patch | Red MTS Logo Bus Operator | XSmall           | 5    | \$63.69    | \$318.47       | \$66.88    | \$334.39       | \$70.22    | \$351.11       | \$73.73    | \$368.67       | \$77.42    | \$387.10       |          |  |            |  |          |  |            |
| 2      |                                                                                                            |      |                                     |                           | Small            | 5    | \$63.69    | \$318.47       | \$66.88    | \$334.39       | \$70.22    | \$351.11       | \$73.73    | \$368.67       | \$77.42    | \$387.10       |          |  |            |  |          |  |            |
| 3      |                                                                                                            |      |                                     |                           | Medium           | 9    | \$63.69    | \$573.24       | \$66.88    | \$601.90       | \$70.22    | \$632.00       | \$73.73    | \$663.60       | \$77.42    | \$696.78       |          |  |            |  |          |  |            |
| 4      |                                                                                                            |      |                                     |                           | Large            | 15   | \$63.69    | \$955.40       | \$66.88    | \$1,003.17     | \$70.22    | \$1,053.33     | \$73.73    | \$1,106.00     | \$77.42    | \$1,161.30     |          |  |            |  |          |  |            |
| 5      |                                                                                                            |      |                                     |                           | XLarge           | 15   | \$63.69    | \$955.40       | \$66.88    | \$1,003.17     | \$70.22    | \$1,053.33     | \$73.73    | \$1,106.00     | \$77.42    | \$1,161.30     |          |  |            |  |          |  |            |
| 6      |                                                                                                            |      |                                     |                           | 2XL              | 9    | \$65.26    | \$587.32       | \$68.52    | \$616.69       | \$71.95    | \$647.52       | \$75.54    | \$679.90       | \$79.32    | \$713.89       |          |  |            |  |          |  |            |
| 7      |                                                                                                            |      |                                     |                           | 3XL              | 4    | \$68.39    | \$273.55       | \$71.81    | \$287.23       | \$75.40    | \$301.59       | \$79.17    | \$316.67       | \$83.12    | \$332.50       |          |  |            |  |          |  |            |
| 8      |                                                                                                            |      |                                     |                           | 4XL              | 4    | \$69.95    | \$279.81       | \$73.45    | \$293.80       | \$77.12    | \$308.49       | \$80.98    | \$323.91       | \$85.03    | \$340.11       |          |  |            |  |          |  |            |
| 9      |                                                                                                            |      |                                     |                           | 5XL              | 4    | \$73.08    | \$292.32       | \$76.73    | \$306.94       | \$80.57    | \$322.29       | \$84.60    | \$338.40       | \$88.83    | \$355.32       |          |  |            |  |          |  |            |
| 10     |                                                                                                            |      |                                     |                           | 6XL              | 4    | \$74.65    | \$298.58       | \$78.38    | \$313.51       | \$82.30    | \$329.19       | \$86.41    | \$345.64       | \$90.73    | \$362.93       |          |  |            |  |          |  |            |
| 11     |                                                                                                            |      |                                     |                           | L Tall - XL Tall | 4    | \$67.19    | \$268.77       | \$70.55    | \$282.21       | \$74.08    | \$296.32       | \$77.78    | \$311.14       | \$81.67    | \$326.70       |          |  |            |  |          |  |            |
| 12     |                                                                                                            |      |                                     |                           | 2XL Tall         | 4    | \$70.32    | \$281.29       | \$73.84    | \$295.35       | \$77.53    | \$310.12       | \$81.41    | \$325.63       | \$85.48    | \$341.91       |          |  |            |  |          |  |            |
| 13     |                                                                                                            |      |                                     |                           | 3XL Tall         | 3    | \$76.58    | \$229.74       | \$80.41    | \$241.23       | \$84.43    | \$253.29       | \$88.65    | \$265.96       | \$93.08    | \$279.25       |          |  |            |  |          |  |            |
| 14     |                                                                                                            |      |                                     |                           | 4XL Tall         | 3    | \$79.71    | \$239.13       | \$83.70    | \$251.09       | \$87.88    | \$263.64       | \$92.27    | \$276.82       | \$96.89    | \$290.66       |          |  |            |  |          |  |            |
|        |                                                                                                            |      |                                     |                           |                  |      |            |                | Subtotal : |                | \$5,871.50 |                | Subtotal   |                | \$6,165.08 |                | Subtotal |  | \$6,473.33 |  | Subtotal |  | \$6,797.00 |

| Line #     | Description                                                                  |      |      |                                 | Size   | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |          |  |            |
|------------|------------------------------------------------------------------------------|------|------|---------------------------------|--------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|----------|--|------------|
| 1          | Men's & Women's Fleece Vest, Heather Gray<br>(Port Authority Style No. F219) | None | None | Red<br>MTS Logo<br>Bus Operator | Small  | 5    | \$31.32    | \$156.61       | \$32.89    | \$164.44       | \$34.53    | \$172.67       | \$36.26    | \$181.30       | \$38.07    | \$190.36       |          |  |            |
| 2          |                                                                              |      |      |                                 | Medium | 9    | \$31.32    | \$281.90       | \$32.89    | \$296.00       | \$34.53    | \$310.80       | \$36.26    | \$326.34       | \$38.07    | \$342.66       |          |  |            |
| 3          |                                                                              |      |      |                                 | Large  | 9    | \$31.32    | \$281.90       | \$32.89    | \$296.00       | \$34.53    | \$310.80       | \$36.26    | \$326.34       | \$38.07    | \$342.66       |          |  |            |
| 4          |                                                                              |      |      |                                 | XLarge | 15   | \$31.32    | \$469.84       | \$32.89    | \$493.33       | \$34.53    | \$518.00       | \$36.26    | \$543.90       | \$38.07    | \$571.09       |          |  |            |
| 5          |                                                                              |      |      |                                 | 2XL    | 9    | \$32.89    | \$295.98       | \$34.53    | \$310.78       | \$36.26    | \$326.32       | \$38.07    | \$342.64       | \$39.97    | \$359.77       |          |  |            |
| 6          |                                                                              |      |      |                                 | 3XL    | 5    | \$36.02    | \$180.08       | \$37.82    | \$189.08       | \$39.71    | \$198.54       | \$41.69    | \$208.47       | \$43.78    | \$218.89       |          |  |            |
| 7          |                                                                              |      |      |                                 | 4XL    | 5    | \$37.58    | \$187.90       | \$39.46    | \$197.30       | \$41.43    | \$207.16       | \$43.50    | \$217.52       | \$45.68    | \$228.40       |          |  |            |
| Subtotal : |                                                                              |      |      |                                 |        |      | \$1,854.23 | Subtotal       |            | \$1,946.94     | Subtotal   |                | \$2,044.28 | Subtotal       |            | \$2,146.50     | Subtotal |  | \$2,253.82 |

| Line # | Description                                                         |      |                                        |      | Size       | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |          |  |            |
|--------|---------------------------------------------------------------------|------|----------------------------------------|------|------------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|----------|--|------------|
| 1      | Men's & Women's Jacket (Windbreaker)<br>(Sport Tek Style No. JST71) | None | Welcome Aboard or<br>Safe Driver Patch | None | XSmall     | 2    | \$32.21    | \$64.42        | \$33.82    | \$67.64        | \$35.51    | \$71.02        | \$37.29    | \$74.57        | \$39.15    | \$78.30        |          |  |            |
| 2      |                                                                     |      |                                        |      | Small      | 5    | \$32.21    | \$161.05       | \$33.82    | \$169.10       | \$35.51    | \$177.56       | \$37.29    | \$186.43       | \$39.15    | \$195.76       |          |  |            |
| 3      |                                                                     |      |                                        |      | Medium     | 9    | \$32.21    | \$289.89       | \$33.82    | \$304.38       | \$35.51    | \$319.60       | \$37.29    | \$335.58       | \$39.15    | \$352.36       |          |  |            |
| 4      |                                                                     |      |                                        |      | Large      | 15   | \$32.21    | \$483.15       | \$33.82    | \$507.30       | \$35.51    | \$532.67       | \$37.29    | \$559.30       | \$39.15    | \$587.27       |          |  |            |
| 5      |                                                                     |      |                                        |      | XLarge     | 15   | \$32.21    | \$483.15       | \$33.82    | \$507.30       | \$35.51    | \$532.67       | \$37.29    | \$559.30       | \$39.15    | \$587.27       |          |  |            |
| 6      |                                                                     |      |                                        |      | 2XL        | 15   | \$33.77    | \$506.61       | \$35.46    | \$531.94       | \$37.24    | \$558.54       | \$39.10    | \$586.47       | \$41.05    | \$615.79       |          |  |            |
| 7      |                                                                     |      |                                        |      | 3XL        | 5    | \$36.90    | \$184.52       | \$38.75    | \$193.74       | \$40.69    | \$203.43       | \$42.72    | \$213.60       | \$44.86    | \$224.28       |          |  |            |
| 8      |                                                                     |      |                                        |      | 4XL        | 3    | \$38.47    | \$115.40       | \$40.39    | \$121.17       | \$42.41    | \$127.23       | \$44.53    | \$133.59       | \$46.76    | \$140.27       |          |  |            |
| 9      |                                                                     |      |                                        |      | 5XL        | 3    | \$41.60    | \$124.79       | \$43.68    | \$131.03       | \$45.86    | \$137.58       | \$48.15    | \$144.46       | \$50.56    | \$151.68       |          |  |            |
| 10     |                                                                     |      |                                        |      | 6XL        | 2    | \$43.16    | \$86.32        | \$45.32    | \$90.64        | \$47.59    | \$95.17        | \$49.96    | \$99.93        | \$52.46    | \$104.93       |          |  |            |
|        |                                                                     |      |                                        |      | Subtotal : |      | \$2,499.29 |                | Subtotal   | \$2,624.25     | Subtotal   |                | \$2,755.47 |                | Subtotal   | \$2,893.24     | Subtotal |  | \$3,037.90 |

| Line # | Description                                                                   |      |                                        |      | Size   | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |
|--------|-------------------------------------------------------------------------------|------|----------------------------------------|------|--------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|
| 1      | Men's & Women's Jacket (Lightweight), Navy<br>(Motive Style No. 88183/88183T) | None | Welcome Aboard or<br>Safe Driver Patch | None | Small  | 14   | \$28.39    | \$397.42       | \$29.81    | \$417.29       | \$31.30    | \$438.15       | \$32.86    | \$460.06       | \$34.50    | \$483.07       |
| 2      |                                                                               |      |                                        |      | Medium | 30   | \$28.39    | \$851.61       | \$29.81    | \$894.19       | \$31.30    | \$938.90       | \$32.86    | \$985.85       | \$34.50    | \$1,035.14     |
| 3      |                                                                               |      |                                        |      | Large  | 40   | \$28.39    | \$1,135.48     | \$29.81    | \$1,192.26     | \$31.30    | \$1,251.87     | \$32.86    | \$1,314.46     | \$34.50    | \$1,380.19     |
| 4      |                                                                               |      |                                        |      | XLarge | 55   | \$28.39    | \$1,561.29     | \$29.81    | \$1,639.35     | \$31.30    | \$1,721.32     | \$32.86    | \$1,807.39     | \$34.50    | \$1,897.76     |
| 5      |                                                                               |      |                                        |      | 2XL    | 40   | \$31.61    | \$1,264.52     | \$33.19    | \$1,327.74     | \$34.85    | \$1,394.13     | \$36.60    | \$1,463.84     | \$38.43    | \$1,537.03     |
| 6      |                                                                               |      |                                        |      | 3XL    | 15   | \$33.23    | \$498.39       | \$34.89    | \$523.31       | \$36.63    | \$549.47       | \$38.46    | \$576.95       | \$40.39    | \$605.79       |
| 7      |                                                                               |      |                                        |      | 4XL    | 8    | \$34.84    | \$278.71       | \$36.58    | \$292.65       | \$38.41    | \$307.28       | \$40.33    | \$322.64       | \$42.35    | \$339.77       |
| 8      |                                                                               |      |                                        |      | 5XL    | 9    | \$36.45    | \$328.06       | \$38.27    | \$344.47       | \$40.19    | \$361.69       | \$42.20    | \$379.78       | \$44.31    | \$399.76       |
| 9      |                                                                               |      |                                        |      | LT     | 9    | \$32.42    | \$291.77       | \$34.04    | \$306.36       | \$35.74    | \$321.68       | \$37.53    | \$337.77       | \$39.41    | \$354.65       |
| 10     |                                                                               |      |                                        |      | XLT    | 9    | \$32.42    | \$291.77       | \$34.04    | \$306.36       | \$35.74    | \$321.68       | \$37.53    | \$337.77       | \$39.41    | \$354.65       |
| 11     |                                                                               |      |                                        |      | 2XLT   | 5    | \$35.65    | \$178.23       | \$37.43    | \$187.14       | \$39.30    | \$196.49       | \$41.26    | \$206.32       | \$43.33    | \$216.63       |
| 12     |                                                                               |      |                                        |      | 3XLT   | 5    | \$37.26    | \$186.29       | \$39.12    | \$195.60       | \$41.08    | \$205.39       | \$43.13    | \$215.65       | \$45.29    | \$226.44       |
| 13     |                                                                               |      |                                        |      | 4XLT   | 3    | \$38.87    | \$116.61       | \$40.81    | \$122.44       | \$42.86    | \$128.57       | \$45.00    | \$134.99       | \$47.25    | \$141.74       |
| 14     |                                                                               |      |                                        |      | 5XLT   | 3    | \$40.48    | \$121.45       | \$42.51    | \$127.52       | \$44.63    | \$133.90       | \$46.87    | \$140.60       | \$49.21    | \$147.63       |
|        |                                                                               |      |                                        |      |        |      |            |                | Subtotal : |                | \$7,501.61 |                | Subtotal   | \$7,876.69     |            | Subtotal       |
|        |                                                                               |      |                                        |      |        |      |            |                | Subtotal   | \$9,118.26     |            |                |            |                |            |                |

| Line # | Description                                                                 |      |                                        |                                 | Size       | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |            |
|--------|-----------------------------------------------------------------------------|------|----------------------------------------|---------------------------------|------------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|
| 1      | Men's & Women's Full Zip Cardigan Sweater,<br>Navy (Edwards Style No. 4372) | None | Welcome Aboard or<br>Safe Driver Patch | Red<br>MTS Logo<br>Bus Operator | XSmall     | 5    | \$60.50    | \$302.50       | \$63.53    | \$317.63       | \$66.70    | \$333.51       | \$70.04    | \$350.18       | \$73.54    | \$367.69       |            |
| 2      |                                                                             |      |                                        |                                 | Small      | 9    | \$60.50    | \$544.50       | \$63.53    | \$571.73       | \$66.70    | \$600.31       | \$70.04    | \$630.33       | \$73.54    | \$661.84       |            |
| 3      |                                                                             |      |                                        |                                 | Medium     | 15   | \$60.50    | \$907.50       | \$63.53    | \$952.88       | \$66.70    | \$1,000.52     | \$70.04    | \$1,050.54     | \$73.54    | \$1,103.07     |            |
| 4      |                                                                             |      |                                        |                                 | Large      | 20   | \$60.50    | \$1,210.00     | \$63.53    | \$1,270.50     | \$66.70    | \$1,334.03     | \$70.04    | \$1,400.73     | \$73.54    | \$1,470.76     |            |
| 5      |                                                                             |      |                                        |                                 | XLarge     | 10   | \$60.50    | \$605.00       | \$63.53    | \$635.25       | \$66.70    | \$667.01       | \$70.04    | \$700.36       | \$73.54    | \$735.38       |            |
| 6      |                                                                             |      |                                        |                                 | 2XL        | 9    | \$70.00    | \$630.00       | \$73.50    | \$661.50       | \$77.18    | \$694.58       | \$81.03    | \$729.30       | \$85.09    | \$765.77       |            |
| 7      |                                                                             |      |                                        |                                 | 3XL        | 4    | \$74.76    | \$299.03       | \$78.50    | \$313.98       | \$82.42    | \$329.68       | \$86.54    | \$346.17       | \$90.87    | \$363.48       |            |
| 8      |                                                                             |      |                                        |                                 | 4XL        | 3    | \$74.76    | \$224.27       | \$78.50    | \$235.49       | \$82.42    | \$247.26       | \$86.54    | \$259.63       | \$90.87    | \$272.61       |            |
| 9      |                                                                             |      |                                        |                                 | 5XL        | 2    | \$84.26    | \$168.52       | \$88.47    | \$176.94       | \$92.89    | \$185.79       | \$97.54    | \$195.08       | \$102.42   | \$204.83       |            |
|        |                                                                             |      |                                        |                                 | Subtotal : |      | \$4,891.32 |                | Subtotal   | \$5,135.89     | Subtotal   | \$5,392.68     |            | Subtotal       | \$5,662.32 | Subtotal       | \$5,945.43 |

| Line # | Description                                                                           |      |      |                                 | Size       | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |          |            |
|--------|---------------------------------------------------------------------------------------|------|------|---------------------------------|------------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|----------|------------|
| 1      | Men's & Women's Pull Over V-Neck Sweater Vest, Navy/Charcoal (Edwards Style No. 4065) | None | None | Red<br>MTS Logo<br>Bus Operator | XSmall     | 3    | \$29.84    | \$89.52        | \$31.33    | \$93.99        | \$32.90    | \$98.69        | \$34.54    | \$103.63       | \$36.27    | \$108.81       |          |            |
| 2      |                                                                                       |      |      |                                 | Small      | 5    | \$29.84    | \$149.19       | \$31.33    | \$156.65       | \$32.90    | \$164.49       | \$34.54    | \$172.71       | \$36.27    | \$181.35       |          |            |
| 3      |                                                                                       |      |      |                                 | Medium     | 9    | \$29.84    | \$268.55       | \$31.33    | \$281.98       | \$32.90    | \$296.07       | \$34.54    | \$310.88       | \$36.27    | \$326.42       |          |            |
| 4      |                                                                                       |      |      |                                 | Large      | 13   | \$29.84    | \$387.90       | \$31.33    | \$407.30       | \$32.90    | \$427.66       | \$34.54    | \$449.05       | \$36.27    | \$471.50       |          |            |
| 5      |                                                                                       |      |      |                                 | XLarge     | 13   | \$29.84    | \$387.90       | \$31.33    | \$407.30       | \$32.90    | \$427.66       | \$34.54    | \$449.05       | \$36.27    | \$471.50       |          |            |
| 6      |                                                                                       |      |      |                                 | 2XL        | 5    | \$34.21    | \$171.05       | \$35.92    | \$179.60       | \$37.72    | \$188.58       | \$39.60    | \$198.01       | \$41.58    | \$207.91       |          |            |
| 7      |                                                                                       |      |      |                                 | 3XL        | 4    | \$36.39    | \$145.55       | \$38.21    | \$152.83       | \$40.12    | \$160.47       | \$42.12    | \$168.49       | \$44.23    | \$176.91       |          |            |
| 8      |                                                                                       |      |      |                                 | 4XL        | 3    | \$36.39    | \$109.16       | \$38.21    | \$114.62       | \$40.12    | \$120.35       | \$42.12    | \$126.37       | \$44.23    | \$132.69       |          |            |
| 9      |                                                                                       |      |      |                                 | 5XL        | 2    | \$40.76    | \$81.52        | \$42.80    | \$85.59        | \$44.94    | \$89.87        | \$47.18    | \$94.37        | \$49.54    | \$99.08        |          |            |
|        |                                                                                       |      |      |                                 | Subtotal : |      | \$1,790.34 |                | Subtotal   | \$1,879.86     | Subtotal   |                | \$1,973.85 |                | Subtotal   | \$2,072.54     | Subtotal | \$2,176.17 |

| Line # | Description                                                |      |                                        |                                 | Size       | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |
|--------|------------------------------------------------------------|------|----------------------------------------|---------------------------------|------------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|
| 1      | Men's & Women's Sweater - Navy (Edwards<br>Style No. 4351) | None | Welcome Aboard or<br>Safe Driver Patch | Red<br>MTS Logo<br>Bus Operator | XSmall     | 3    | \$48.94    | \$146.81       | \$51.38    | \$154.15       | \$53.95    | \$161.85       | \$56.65    | \$169.95       | \$59.48    | \$178.44       |
| 2      |                                                            |      |                                        |                                 | Small      | 5    | \$48.94    | \$244.68       | \$51.38    | \$256.91       | \$53.95    | \$269.76       | \$56.65    | \$283.24       | \$59.48    | \$297.41       |
| 3      |                                                            |      |                                        |                                 | Medium     | 9    | \$48.94    | \$440.42       | \$51.38    | \$462.44       | \$53.95    | \$485.56       | \$56.65    | \$509.84       | \$59.48    | \$535.33       |
| 4      |                                                            |      |                                        |                                 | Large      | 13   | \$48.94    | \$636.16       | \$51.38    | \$667.97       | \$53.95    | \$701.37       | \$56.65    | \$736.44       | \$59.48    | \$773.26       |
| 5      |                                                            |      |                                        |                                 | XLarge     | 13   | \$48.94    | \$636.16       | \$51.38    | \$667.97       | \$53.95    | \$701.37       | \$56.65    | \$736.44       | \$59.48    | \$773.26       |
| 6      |                                                            |      |                                        |                                 | 2XL        | 5    | \$56.11    | \$280.56       | \$58.92    | \$294.59       | \$61.86    | \$309.32       | \$64.96    | \$324.79       | \$68.21    | \$341.03       |
| 7      |                                                            |      |                                        |                                 | 3XL        | 4    | \$59.73    | \$238.90       | \$62.71    | \$250.85       | \$65.85    | \$263.39       | \$69.14    | \$276.56       | \$72.60    | \$290.39       |
| 8      |                                                            |      |                                        |                                 | 4XL        | 3    | \$59.73    | \$179.18       | \$62.71    | \$188.14       | \$65.85    | \$197.54       | \$69.14    | \$207.42       | \$72.60    | \$217.79       |
| 9      |                                                            |      |                                        |                                 | 5XL        | 2    | \$66.90    | \$133.81       | \$70.25    | \$140.50       | \$73.76    | \$147.52       | \$77.45    | \$154.90       | \$81.32    | \$162.64       |
|        |                                                            |      |                                        |                                 | Subtotal : |      |            | \$2,936.68     | Subtotal   | \$3,083.51     | Subtotal   | \$3,237.69     | Subtotal   | \$3,399.57     | Subtotal   | \$3,569.55     |

| Line # | Description                                                                                  |      |                                     |                           | Size       | Qty. | Unit Price  | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price  | Extended Price | Unit Price | Extended Price |  |          |             |
|--------|----------------------------------------------------------------------------------------------|------|-------------------------------------|---------------------------|------------|------|-------------|----------------|------------|----------------|------------|----------------|-------------|----------------|------------|----------------|--|----------|-------------|
| 1      | Men's (J304) & Women's (L304) - Port Authority Alt - Season II Jacket Black and True Navy. . | None | Welcome Aboard or Safe Driver Patch | Red MTS Logo Bus Operator | XSmall     | 5    | \$86.44     | \$432.18       | \$90.76    | \$453.79       | \$95.30    | \$476.48       | \$100.06    | \$500.30       | \$105.06   | \$525.31       |  |          |             |
| 2      |                                                                                              |      |                                     |                           | Small      | 5    | \$86.44     | \$432.18       | \$90.76    | \$453.79       | \$95.30    | \$476.48       | \$100.06    | \$500.30       | \$105.06   | \$525.31       |  |          |             |
| 3      |                                                                                              |      |                                     |                           | Medium     | 25   | \$86.44     | \$2,160.89     | \$90.76    | \$2,268.93     | \$95.30    | \$2,382.38     | \$100.06    | \$2,501.50     | \$105.06   | \$2,626.57     |  |          |             |
| 4      |                                                                                              |      |                                     |                           | Large      | 25   | \$86.44     | \$2,160.89     | \$90.76    | \$2,268.93     | \$95.30    | \$2,382.38     | \$100.06    | \$2,501.50     | \$105.06   | \$2,626.57     |  |          |             |
| 5      |                                                                                              |      |                                     |                           | XLarge     | 34   | \$86.44     | \$2,938.81     | \$90.76    | \$3,085.75     | \$95.30    | \$3,240.03     | \$100.06    | \$3,402.04     | \$105.06   | \$3,572.14     |  |          |             |
| 6      |                                                                                              |      |                                     |                           | 2XL        | 34   | \$88.00     | \$2,992.00     | \$92.40    | \$3,141.60     | \$97.02    | \$3,298.68     | \$101.87    | \$3,463.61     | \$106.96   | \$3,636.79     |  |          |             |
| 7      |                                                                                              |      |                                     |                           | 3XL        | 13   | \$91.13     | \$1,184.68     | \$95.69    | \$1,243.91     | \$100.47   | \$1,306.11     | \$105.49    | \$1,371.41     | \$110.77   | \$1,439.98     |  |          |             |
| 8      |                                                                                              |      |                                     |                           | 4XL        | 5    | \$92.69     | \$463.47       | \$97.33    | \$486.64       | \$102.19   | \$510.97       | \$107.30    | \$536.52       | \$112.67   | \$563.35       |  |          |             |
|        |                                                                                              |      |                                     |                           | Subtotal : |      | \$12,765.08 |                | Subtotal   | \$13,403.33    |            | Subtotal       | \$14,073.50 |                | Subtotal   | \$14,777.18    |  | Subtotal | \$15,516.04 |

| Line #     | Description                                                      |      |      |      | Size       | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |
|------------|------------------------------------------------------------------|------|------|------|------------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|
| 1          | Belt 100% Leather, 1.5" width (Chambers UBLT 6010) USPS Approved | None | None | None | 44 & Under | 84   | \$17.74    | \$1,490.32     | \$16.63    | \$1,564.84     | \$19.56    | \$1,643.08     | \$20.54    | \$1,725.23     | \$21.57    | \$1,811.50     |
| 2          |                                                                  |      |      |      | 46 & Up    | 17   | \$19.35    | \$329.03       | \$20.32    | \$345.48       | \$21.34    | \$362.76       | \$22.41    | \$380.90       | \$23.53    | \$399.94       |
| Subtotal : |                                                                  |      |      |      |            |      | \$1,819.35 |                | Subtotal   | \$1,910.32     |            | Subtotal       | \$2,005.84 |                | Subtotal   | \$2,211.44     |

| Line #     | Description                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                   |      |  | Size     | Qty. | Unit Price  | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price  | Extended Price | Unit Price | Extended Price |
|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|--|----------|------|-------------|----------------|------------|----------------|------------|----------------|-------------|----------------|------------|----------------|
| 1          | Visor, Navy Blue with MTS logo in red thread on the center of the visor, item # BBV                                                                                                                                                   | Note: These will be ordered in quantities of at least 100. They will not be individually ordered by bus operators.                                                                                                                                |      |  | One size | 100  | \$16.10     | \$1,610.00     | \$16.91    | \$1,690.50     | \$17.75    | \$1,775.03     | \$18.64     | \$1,863.78     | \$19.57    | \$1,956.97     |
| 2          | Baseball Style Cap - Navy Blue with MTS logo in red thread, and the wording "Bus Operator" in white thread directly underneath the MTS logo, - structured hat with velcro closure, medium weight, 100% brushed cotton item, Style WPV | Note: These will be ordered in quantities of at least 100. They will not be individually ordered by bus operators.                                                                                                                                |      |  | One size | 100  | \$15.80     | \$1,580.00     | \$16.59    | \$1,659.00     | \$17.42    | \$1,741.95     | \$18.29     | \$1,829.05     | \$19.20    | \$1,920.50     |
| 3          | Safe Driver Hat (3-D puffty logo) (ordered 1x annually), Style WPV                                                                                                                                                                    | These will be ordered once per year for safety awards in a quantity of approximately 275. They will not be individually ordered by bus operators.                                                                                                 |      |  | One size | 100  | \$16.00     | \$1,600.00     | \$16.80    | \$1,680.00     | \$17.64    | \$1,764.00     | \$18.52     | \$1,852.20     | \$19.45    | \$1,944.81     |
| 4          | Safe Driver Patch (ordered 1x annually)                                                                                                                                                                                               | The patches will be ordered in larger quantities to have on-hand for application to clothing items, including all items with "Safe Driver Optional" language as well as annual Safe Driver shirts. There are three colors: gold, silver, and red. |      |  | One size | 1000 | \$2.50      | \$2,500.00     | \$2.63     | \$2,625.00     | \$2.76     | \$2,756.25     | \$2.89      | \$2,894.06     | \$3.04     | \$3,038.77     |
| 5          | CP95 - Port Authority 100% cotton Beanie with MTS logo in red thread on center front                                                                                                                                                  |                                                                                                                                                                                                                                                   | None |  | One Size | 210  | \$15.80     | \$3,318.00     | \$16.59    | \$3,483.90     | \$17.42    | \$3,658.10     | \$18.29     | \$3,841.00     | \$19.20    | \$4,033.05     |
| Subtotal : |                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                   |      |  |          |      | \$10,608.00 |                | Subtotal   | \$11,138.40    |            | Subtotal       | \$11,695.32 |                | Subtotal   | \$12,280.09    |

| Line # | Description                                                            |      |      |      | Size       | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |
|--------|------------------------------------------------------------------------|------|------|------|------------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|
| 1      | Long Island Performance Long Sleeve T-Shirt- 210 & 214 Black and White | None | None | None | XSmall     | 5    | \$12.89    | \$64.44        | \$13.53    | \$67.66        | \$14.21    | \$71.04        | \$14.92    | \$74.59        | \$15.66    | \$78.32        |
| 2      |                                                                        |      |      |      | Small      | 50   | \$12.89    | \$644.35       | \$13.53    | \$676.57       | \$14.21    | \$710.40       | \$14.92    | \$745.92       | \$15.66    | \$783.22       |
| 3      |                                                                        |      |      |      | Medium     | 150  | \$12.89    | \$1,933.06     | \$13.53    | \$2,029.72     | \$14.21    | \$2,131.20     | \$14.92    | \$2,237.76     | \$15.66    | \$2,349.65     |
| 4      |                                                                        |      |      |      | Large      | 150  | \$12.89    | \$1,933.06     | \$13.53    | \$2,029.72     | \$14.21    | \$2,131.20     | \$14.92    | \$2,237.76     | \$15.66    | \$2,349.65     |
| 5      |                                                                        |      |      |      | XLarge     | 125  | \$12.89    | \$1,610.89     | \$13.53    | \$1,691.43     | \$14.21    | \$1,776.00     | \$14.92    | \$1,864.80     | \$15.66    | \$1,958.04     |
| 6      |                                                                        |      |      |      | 2XL        | 75   | \$15.89    | \$1,191.53     | \$16.68    | \$1,251.11     | \$17.52    | \$1,313.66     | \$18.39    | \$1,379.35     | \$19.31    | \$1,448.31     |
| 7      |                                                                        |      |      |      | 3XL        | 63   | \$17.65    | \$1,111.65     | \$18.53    | \$1,167.23     | \$19.45    | \$1,225.59     | \$20.43    | \$1,286.87     | \$21.45    | \$1,351.21     |
|        |                                                                        |      |      |      | Subtotal : |      | \$8,488.98 |                | Subtotal   | \$8,913.43     |            | Subtotal       | \$9,359.10 |                | Subtotal   | \$9,827.06     |
|        |                                                                        |      |      |      |            |      |            |                |            |                |            |                |            |                |            |                |

| SUPERVISORS UNIFORMS |                                                         |      |      |      |           |      |            |                |            |                |            |                |            |                |            |                |          |  |          |          |
|----------------------|---------------------------------------------------------|------|------|------|-----------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|----------|--|----------|----------|
| Line #               | Description                                             |      |      |      | Size      | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |          |  |          |          |
| 1                    | Men's Dress Shirt -Tact Squad Long Sleeve/8003W (White) | None | None | None | 14 - 17.5 | 2    | \$25.98    | \$51.97        | \$27.28    | \$54.57        | \$28.65    | \$57.29        | \$30.08    | \$60.16        | \$31.58    | \$63.17        |          |  |          |          |
| 2                    |                                                         |      |      |      | 18 - 18.5 | 2    | \$28.58    | \$57.16        | \$30.01    | \$60.02        | \$31.51    | \$63.02        | \$33.09    | \$66.17        | \$34.74    | \$69.48        |          |  |          |          |
| 3                    |                                                         |      |      |      | 19 - 19.5 | 2    | \$29.87    | \$59.74        | \$31.36    | \$62.73        | \$32.93    | \$65.87        | \$34.58    | \$69.16        | \$36.31    | \$72.62        |          |  |          |          |
| 4                    |                                                         |      |      |      | 20 - 20.5 | 2    | \$31.18    | \$62.35        | \$32.74    | \$65.47        | \$34.37    | \$68.75        | \$36.09    | \$72.18        | \$37.90    | \$75.79        |          |  |          |          |
|                      | Subtotal :                                              |      |      |      |           |      |            | \$231.23       |            | Subtotal       | \$242.79   |                | Subtotal   | \$254.93       |            | Subtotal       | \$267.67 |  | Subtotal | \$281.06 |

| Line # | Description                                              |      |      |      | Size       | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |          |  |          |  |          |  |          |
|--------|----------------------------------------------------------|------|------|------|------------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|----------|--|----------|--|----------|--|----------|
| 1      | Men's Dress Shirt -Tact Squad Short Sleeve/8013W (White) | None | None | None | 14 - 17.5  | 2    | \$24.61    | \$49.23        | \$25.84    | \$51.69        | \$27.14    | \$54.27        | \$28.49    | \$56.99        | \$29.92    | \$59.83        |          |  |          |  |          |  |          |
| 2      |                                                          |      |      |      | 18 - 18.5  | 2    | \$27.08    | \$54.16        | \$28.43    | \$56.87        | \$29.86    | \$59.71        | \$31.35    | \$62.70        | \$32.92    | \$65.83        |          |  |          |  |          |  |          |
| 3      |                                                          |      |      |      | 19 - 19.5  | 2    | \$28.29    | \$56.58        | \$29.70    | \$59.41        | \$31.19    | \$62.38        | \$32.75    | \$65.50        | \$34.39    | \$68.77        |          |  |          |  |          |  |          |
| 4      |                                                          |      |      |      | 20 - 20.5  | 2    | \$29.53    | \$59.06        | \$31.01    | \$62.02        | \$32.56    | \$65.12        | \$34.19    | \$68.37        | \$35.90    | \$71.79        |          |  |          |  |          |  |          |
|        |                                                          |      |      |      | Subtotal : |      | \$219.03   |                | Subtotal   |                | \$229.98   |                | Subtotal   |                | \$241.48   |                | Subtotal |  | \$253.56 |  | Subtotal |  | \$266.24 |

| Line # | Description                                                     |      |      |                                                                                                     | Size       | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |
|--------|-----------------------------------------------------------------|------|------|-----------------------------------------------------------------------------------------------------|------------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|
| 1      | Men's & Women's Unisex Polo Edwards 1525<br>(Navy, Black, Grey) | None | None | Red or White MTS logo Embroidery<br>& Supervisor/ Bus Operations/<br>Name of Department Embroidery. | XSmall     | 2    | \$29.77    | \$59.55        | \$31.26    | \$62.53        | \$32.83    | \$65.65        | \$34.47    | \$68.93        | \$36.19    | \$72.38        |
| 2      |                                                                 |      |      |                                                                                                     | Small      | 10   | \$29.77    | \$297.74       | \$31.26    | \$312.63       | \$32.83    | \$328.26       | \$34.47    | \$344.67       | \$36.19    | \$361.91       |
| 3      |                                                                 |      |      |                                                                                                     | Medium     | 10   | \$29.77    | \$297.74       | \$31.26    | \$312.63       | \$32.83    | \$328.26       | \$34.47    | \$344.67       | \$36.19    | \$361.91       |
| 4      |                                                                 |      |      |                                                                                                     | Large      | 10   | \$29.77    | \$297.74       | \$31.26    | \$312.63       | \$32.83    | \$328.26       | \$34.47    | \$344.67       | \$36.19    | \$361.91       |
| 5      |                                                                 |      |      |                                                                                                     | XLarge     | 10   | \$29.77    | \$297.74       | \$31.26    | \$312.63       | \$32.83    | \$328.26       | \$34.47    | \$344.67       | \$36.19    | \$361.91       |
| 6      |                                                                 |      |      |                                                                                                     | 2XL        | 20   | \$33.00    | \$660.00       | \$34.65    | \$693.00       | \$36.38    | \$727.65       | \$38.20    | \$764.03       | \$40.11    | \$802.23       |
| 7      |                                                                 |      |      |                                                                                                     | 3XL        | 10   | \$34.61    | \$346.13       | \$36.34    | \$363.44       | \$38.16    | \$381.61       | \$40.07    | \$400.69       | \$42.07    | \$420.72       |
| 8      |                                                                 |      |      |                                                                                                     | 4XL        | 1    | \$36.23    | \$36.23        | \$38.04    | \$38.04        | \$39.94    | \$39.94        | \$41.94    | \$41.94        | \$44.03    | \$44.03        |
| 9      |                                                                 |      |      |                                                                                                     | 5XL        | 1    | \$37.84    | \$37.84        | \$39.73    | \$39.73        | \$41.72    | \$41.72        | \$43.80    | \$43.80        | \$45.99    | \$45.99        |
|        |                                                                 |      |      |                                                                                                     | Subtotal : |      | \$2,330.71 |                | Subtotal   | \$2,447.25     |            | Subtotal       | \$2,565.61 |                | Subtotal   | \$2,698.09     |

| Line #     | Description                                                  |      |      |                                                                                               | Size   | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |
|------------|--------------------------------------------------------------|------|------|-----------------------------------------------------------------------------------------------|--------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|
| 1          | Men's Polo Shirt with Pocket SK98 Red Kap (Navy, Red, Black) | None | None | Red or White MTS logo Embroidery & Supervisor/ Bus Operations/ Name of Department Embroidery. | Small  | 5    | \$31.29    | \$156.45       | \$32.85    | \$164.27       | \$34.50    | \$172.49       | \$36.22    | \$181.11       | \$38.03    | \$190.17       |
| 2          |                                                              |      |      |                                                                                               | Medium | 9    | \$31.29    | \$281.61       | \$32.85    | \$295.69       | \$34.50    | \$310.48       | \$36.22    | \$326.00       | \$38.03    | \$342.30       |
| 3          |                                                              |      |      |                                                                                               | Large  | 17   | \$31.29    | \$531.94       | \$32.85    | \$558.53       | \$34.50    | \$586.46       | \$36.22    | \$615.78       | \$38.03    | \$646.57       |
| 4          |                                                              |      |      |                                                                                               | XLarge | 25   | \$31.29    | \$782.26       | \$32.85    | \$821.37       | \$34.50    | \$862.44       | \$36.22    | \$905.56       | \$38.03    | \$950.84       |
| 5          |                                                              |      |      |                                                                                               | 2XL    | 9    | \$31.29    | \$281.61       | \$32.85    | \$295.69       | \$34.50    | \$310.48       | \$36.22    | \$326.00       | \$38.03    | \$342.30       |
| 6          |                                                              |      |      |                                                                                               | 3XL    | 2    | \$31.29    | \$62.58        | \$32.85    | \$65.71        | \$34.50    | \$69.00        | \$36.22    | \$72.44        | \$38.03    | \$76.07        |
| 7          |                                                              |      |      |                                                                                               | 4XL    | 2    | \$31.29    | \$62.58        | \$32.85    | \$65.71        | \$34.50    | \$69.00        | \$36.22    | \$72.44        | \$38.03    | \$76.07        |
| Subtotal : |                                                              |      |      |                                                                                               |        |      | \$2,159.03 |                | Subtotal   | \$2,266.98     |            | Subtotal       | \$2,380.33 |                | Subtotal   | \$2,499.35     |
|            |                                                              |      |      |                                                                                               |        |      |            |                | Subtotal   | \$2,380.33     |            | Subtotal       | \$2,499.35 |                | Subtotal   | \$2,624.32     |

| Line # | Description |  |  |  | Size   | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |
|--------|-------------|--|--|--|--------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|
| 1      |             |  |  |  | XSmall | 5    | \$30.13    | \$150.65       | \$31.64    | \$158.18       | \$33.22    | \$166.09       | \$34.88    | \$174.39       | \$36.62    | \$183.11       |



|   |                                                                   |      |      |                                                                                               |        |    |            |            |          |            |          |            |          |            |          |            |
|---|-------------------------------------------------------------------|------|------|-----------------------------------------------------------------------------------------------|--------|----|------------|------------|----------|------------|----------|------------|----------|------------|----------|------------|
| 2 | Women's Polo Shirt with no Pocket SK97 Red Kap (Navy, Red, Black) | None | None | Red or White MTS logo Embroidery & Supervisor/ Bus Operations/ Name of Department Embroidery. | Small  | 5  | \$30.13    | \$150.65   | \$31.64  | \$158.18   | \$33.22  | \$166.09   | \$34.88  | \$174.39   | \$36.62  | \$183.11   |
| 3 |                                                                   |      |      |                                                                                               | Medium | 10 | \$30.13    | \$301.29   | \$31.64  | \$316.35   | \$33.22  | \$332.17   | \$34.88  | \$348.78   | \$36.62  | \$366.22   |
| 4 |                                                                   |      |      |                                                                                               | Large  | 20 | \$30.13    | \$602.58   | \$31.64  | \$632.71   | \$33.22  | \$664.35   | \$34.88  | \$697.56   | \$36.62  | \$732.44   |
| 5 |                                                                   |      |      |                                                                                               | XLarge | 20 | \$30.13    | \$602.58   | \$31.64  | \$632.71   | \$33.22  | \$664.35   | \$34.88  | \$697.56   | \$36.62  | \$732.44   |
| 6 |                                                                   |      |      |                                                                                               | 2XL    | 20 | \$30.13    | \$602.58   | \$31.64  | \$632.71   | \$33.22  | \$664.35   | \$34.88  | \$697.56   | \$36.62  | \$732.44   |
| 7 |                                                                   |      |      |                                                                                               | 3XL    | 20 | \$30.13    | \$602.58   | \$31.64  | \$632.71   | \$33.22  | \$664.35   | \$34.88  | \$697.56   | \$36.62  | \$732.44   |
|   |                                                                   |      |      |                                                                                               |        |    | Subtotal : | \$3,012.90 | Subtotal | \$3,163.55 | Subtotal | \$3,321.73 | Subtotal | \$3,487.81 | Subtotal | \$3,662.20 |

| Line # | Description                                          |      |      |      | Size  | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |
|--------|------------------------------------------------------|------|------|------|-------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|
| 1      | Men's & Women's Pants- Edwards Cargo<br>2538 (black) | None | None | None | 0-28  | 21   | \$31.42    | \$659.81       | \$32.99    | \$692.80       | \$34.64    | \$727.44       | \$36.37    | \$763.81       | \$38.19    | \$802.00       |
| 2      |                                                      |      |      |      | 28-60 | 21   | \$31.42    | \$659.81       | \$32.99    | \$692.80       | \$34.64    | \$727.44       | \$36.37    | \$763.81       | \$38.19    | \$802.00       |
|        | Subtotal :                                           |      |      |      |       |      |            | \$1,319.61     | Subtotal   | \$1,385.59     | Subtotal   | \$1,454.87     | Subtotal   | \$1,527.62     | Subtotal   | \$1,604.00     |

| Line #     | Description                                             |      |      |                                                                                               | Size    | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |
|------------|---------------------------------------------------------|------|------|-----------------------------------------------------------------------------------------------|---------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|
| 1          | Men's & Women's Sweater , Navy (Edwards Style No. 4351) | None | None | Red or White MTS logo Embroidery & Supervisor/ Bus Operations/ Name of Department Embroidery. | XSmall  | 2    | \$43.94    | \$87.87        | \$46.13    | \$92.26        | \$48.44    | \$96.88        | \$50.86    | \$101.72       | \$53.40    | \$106.81       |
| 2          |                                                         |      |      |                                                                                               | Small   | 2    | \$43.94    | \$87.87        | \$46.13    | \$92.26        | \$48.44    | \$96.88        | \$50.86    | \$101.72       | \$53.40    | \$106.81       |
| 3          |                                                         |      |      |                                                                                               | Medium  | 5    | \$43.94    | \$219.68       | \$46.13    | \$230.66       | \$48.44    | \$242.19       | \$50.86    | \$254.30       | \$53.40    | \$267.02       |
| 4          |                                                         |      |      |                                                                                               | Large   | 5    | \$43.94    | \$219.68       | \$46.13    | \$230.66       | \$48.44    | \$242.19       | \$50.86    | \$254.30       | \$53.40    | \$267.02       |
| 5          |                                                         |      |      |                                                                                               | XLarge  | 5    | \$43.94    | \$219.68       | \$46.13    | \$230.66       | \$48.44    | \$242.19       | \$50.86    | \$254.30       | \$53.40    | \$267.02       |
| 6          |                                                         |      |      |                                                                                               | 2XL     | 5    | \$51.11    | \$255.56       | \$53.67    | \$268.34       | \$56.35    | \$281.76       | \$59.17    | \$295.85       | \$62.13    | \$310.64       |
| 7          |                                                         |      |      |                                                                                               | 3XL-4XL | 2    | \$54.73    | \$109.45       | \$57.46    | \$114.92       | \$60.34    | \$120.67       | \$63.35    | \$126.70       | \$66.52    | \$133.04       |
| 8          |                                                         |      |      |                                                                                               | 5XL     | 1    | \$61.90    | \$61.90        | \$65.00    | \$65.00        | \$68.25    | \$68.25        | \$71.66    | \$71.66        | \$75.24    | \$75.24        |
| Subtotal : |                                                         |      |      |                                                                                               |         |      | \$1,261.69 | Subtotal       | \$1,324.78 | Subtotal       | \$1,391.02 | Subtotal       | \$1,460.57 | Subtotal       | \$1,533.60 |                |

| Line # | Description                                                                               |      |      |                                                                                               | Size       | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |
|--------|-------------------------------------------------------------------------------------------|------|------|-----------------------------------------------------------------------------------------------|------------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|
| 1      | Men's Edwards dress shirts: 1354 colors, dark grey, black, French blue, royal blue, blue, | None | None | Red or White MTS logo Embroidery & Supervisor/ Bus Operations/ Name of Department Embroidery. | Small      | 2    | \$29.06    | \$58.13        | \$30.52    | \$61.04        | \$32.04    | \$64.09        | \$33.65    | \$67.29        | \$35.33    | \$70.66        |
| 2      |                                                                                           |      |      |                                                                                               | Medium     | 5    | \$29.06    | \$145.32       | \$30.52    | \$152.59       | \$32.04    | \$160.22       | \$33.65    | \$168.23       | \$35.33    | \$176.64       |
| 3      |                                                                                           |      |      |                                                                                               | Large      | 5    | \$29.06    | \$145.32       | \$30.52    | \$152.59       | \$32.04    | \$160.22       | \$33.65    | \$168.23       | \$35.33    | \$176.64       |
| 4      |                                                                                           |      |      |                                                                                               | XLarge     | 9    | \$29.06    | \$261.58       | \$30.52    | \$274.66       | \$32.04    | \$288.39       | \$33.65    | \$302.81       | \$35.33    | \$317.95       |
| 5      |                                                                                           |      |      |                                                                                               | 2XL        | 5    | \$33.29    | \$166.45       | \$34.95    | \$174.77       | \$36.70    | \$183.51       | \$38.54    | \$192.69       | \$40.46    | \$202.32       |
| 6      |                                                                                           |      |      |                                                                                               | 3XL        | 4    | \$35.40    | \$141.61       | \$37.17    | \$148.69       | \$39.03    | \$156.13       | \$40.98    | \$163.93       | \$43.03    | \$172.13       |
| 7      |                                                                                           |      |      |                                                                                               | 4XL        | 2    | \$35.40    | \$70.81        | \$37.17    | \$74.35        | \$39.03    | \$78.06        | \$40.98    | \$81.97        | \$43.03    | \$86.07        |
| 8      |                                                                                           |      |      |                                                                                               | 5XL        | 1    | \$39.61    | \$39.61        | \$41.59    | \$41.59        | \$43.67    | \$43.67        | \$45.86    | \$45.86        | \$48.15    | \$48.15        |
| 9      |                                                                                           |      |      |                                                                                               | 6XL        | 1    | \$39.61    | \$39.61        | \$41.59    | \$41.59        | \$43.67    | \$43.67        | \$45.86    | \$45.86        | \$48.15    | \$48.15        |
| 10     |                                                                                           |      |      |                                                                                               | XLT        | 1    | \$33.29    | \$33.29        | \$34.95    | \$34.95        | \$36.70    | \$36.70        | \$38.54    | \$38.54        | \$40.46    | \$40.46        |
| 11     |                                                                                           |      |      |                                                                                               | 6XLT       | 1    | \$39.61    | \$39.61        | \$41.59    | \$41.59        | \$43.67    | \$43.67        | \$45.86    | \$45.86        | \$48.15    | \$48.15        |
|        |                                                                                           |      |      |                                                                                               | Subtotal : |      | \$1,141.35 |                | Subtotal   | \$1,198.42     | Subtotal   | \$1,258.34     | Subtotal   | \$1,321.26     | Subtotal   | \$1,387.32     |

| Line # | Description                                                                                 |      |      |                                                                                               | Size       | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |            |          |  |            |
|--------|---------------------------------------------------------------------------------------------|------|------|-----------------------------------------------------------------------------------------------|------------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------|--|------------|
| 1      | Women's Edwards dress shirts: 5354 colors, dark grey, black, French blue, royal blue, blue, | None | None | Red or White MTS logo Embroidery & Supervisor/ Bus Operations/ Name of Department Embroidery. | Small      | 5    | \$29.06    | \$145.32       | \$30.52    | \$152.59       | \$32.04    | \$160.22       | \$33.65    | \$168.23       | \$35.33    | \$176.64       |            |          |  |            |
| 2      |                                                                                             |      |      |                                                                                               | Medium     | 9    | \$29.06    | \$261.58       | \$30.52    | \$274.66       | \$32.04    | \$288.39       | \$33.65    | \$302.81       | \$35.33    | \$317.95       |            |          |  |            |
| 3      |                                                                                             |      |      |                                                                                               | Large      | 5    | \$29.06    | \$145.32       | \$30.52    | \$152.59       | \$32.04    | \$160.22       | \$33.65    | \$168.23       | \$35.33    | \$176.64       |            |          |  |            |
| 4      |                                                                                             |      |      |                                                                                               | XLarge     | 5    | \$29.06    | \$145.32       | \$30.52    | \$152.59       | \$32.04    | \$160.22       | \$33.65    | \$168.23       | \$35.33    | \$176.64       |            |          |  |            |
| 5      |                                                                                             |      |      |                                                                                               | 2XL        | 5    | \$33.29    | \$166.45       | \$34.95    | \$174.77       | \$36.70    | \$183.51       | \$38.54    | \$192.69       | \$40.46    | \$202.32       |            |          |  |            |
| 6      |                                                                                             |      |      |                                                                                               | 3XL        | 1    | \$35.40    | \$35.40        | \$37.17    | \$37.17        | \$39.03    | \$39.03        | \$40.98    | \$40.98        | \$43.03    | \$43.03        |            |          |  |            |
| 7      |                                                                                             |      |      |                                                                                               | 4XL        | 1    | \$35.40    | \$35.40        | \$37.17    | \$37.17        | \$39.03    | \$39.03        | \$40.98    | \$40.98        | \$43.03    | \$43.03        |            |          |  |            |
|        |                                                                                             |      |      |                                                                                               | Subtotal : |      |            | \$934.81       | Subtotal   |                | \$981.55   | Subtotal       |            | \$1,030.62     | Subtotal   |                | \$1,082.16 | Subtotal |  | \$1,136.26 |

| Line # | Description                                                               |      |      |      | Size   | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |  |          |          |
|--------|---------------------------------------------------------------------------|------|------|------|--------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|--|----------|----------|
| 1      | Women's and Men's CSJ24 Cornerstone<br>ANSI 107 class 3 Waterproof Parka. | None | None | None | Small  | 1    | \$71.76    | \$71.76        | \$75.35    | \$75.35        | \$79.11    | \$79.11        | \$83.07    | \$83.07        | \$87.22    | \$87.22        |  |          |          |
| 2      |                                                                           |      |      |      | Medium | 1    | \$71.76    | \$71.76        | \$75.35    | \$75.35        | \$79.11    | \$79.11        | \$83.07    | \$83.07        | \$87.22    | \$87.22        |  |          |          |
| 3      |                                                                           |      |      |      | Large  | 1    | \$71.76    | \$71.76        | \$75.35    | \$75.35        | \$79.11    | \$79.11        | \$83.07    | \$83.07        | \$87.22    | \$87.22        |  |          |          |
| 4      |                                                                           |      |      |      | XLarge | 1    | \$71.76    | \$71.76        | \$75.35    | \$75.35        | \$79.11    | \$79.11        | \$83.07    | \$83.07        | \$87.22    | \$87.22        |  |          |          |
| 5      |                                                                           |      |      |      | 2XL    | 1    | \$73.32    | \$73.32        | \$76.99    | \$76.99        | \$80.84    | \$80.84        | \$84.88    | \$84.88        | \$89.12    | \$89.12        |  |          |          |
| 6      |                                                                           |      |      |      | 3XL    | 1    | \$76.45    | \$76.45        | \$80.27    | \$80.27        | \$84.29    | \$84.29        | \$88.50    | \$88.50        | \$92.93    | \$92.93        |  |          |          |
| 7      |                                                                           |      |      |      | 4XL    | 1    | \$78.02    | \$78.02        | \$81.92    | \$81.92        | \$86.01    | \$86.01        | \$90.31    | \$90.31        | \$94.83    | \$94.83        |  |          |          |
|        | Subtotal :                                                                |      |      |      |        |      | \$514.82   |                | Subtotal   | \$540.56       |            | Subtotal       | \$567.59   |                | Subtotal   | \$595.97       |  | Subtotal | \$625.77 |

| Line # | Description                                                            |      |      |                                                                                               | Size   | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |
|--------|------------------------------------------------------------------------|------|------|-----------------------------------------------------------------------------------------------|--------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|
| 1      | Men's & Women's J307 Black/Deep Grey Port Authority Soft Shell Jacket. | None | None | Red or White MTS logo Embroidery & Supervisor/ Bus Operations/ Name of Department Embroidery. | Small  | 1    | \$42.97    | \$42.97        | \$45.12    | \$45.12        | \$47.37    | \$47.37        | \$49.74    | \$49.74        | \$52.23    | \$52.23        |
| 2      |                                                                        |      |      |                                                                                               | Medium | 2    | \$42.97    | \$85.94        | \$45.12    | \$90.23        | \$47.37    | \$94.74        | \$49.74    | \$99.48        | \$52.23    | \$104.46       |
| 3      |                                                                        |      |      |                                                                                               | Large  | 3    | \$42.97    | \$128.90       | \$45.12    | \$135.35       | \$47.37    | \$142.12       | \$49.74    | \$149.22       | \$52.23    | \$156.68       |
| 4      |                                                                        |      |      |                                                                                               | XLarge | 3    | \$42.97    | \$128.90       | \$45.12    | \$135.35       | \$47.37    | \$142.12       | \$49.74    | \$149.22       | \$52.23    | \$156.68       |
| 5      |                                                                        |      |      |                                                                                               | 2XL    | 2    | \$44.53    | \$89.06        | \$46.76    | \$93.52        | \$49.10    | \$98.19        | \$51.55    | \$103.10       | \$54.13    | \$108.26       |
| 6      |                                                                        |      |      |                                                                                               | 3XL    | 1    | \$47.66    | \$47.66        | \$50.04    | \$50.04        | \$52.55    | \$52.55        | \$55.17    | \$55.17        | \$57.93    | \$57.93        |
|        | Subtotal :                                                             |      |      |                                                                                               |        |      |            | \$523.44       | Subtotal   | \$549.61       | Subtotal   | \$577.09       | Subtotal   | \$605.94       | Subtotal   | \$636.24       |

| Line # | Description                                                                              |      |      |      | Size     | Qty. | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |
|--------|------------------------------------------------------------------------------------------|------|------|------|----------|------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|
| 1      | Baseball Style Cap, Black with MTS logo/white wording "supervisor" in white. 100% cotton | None | None | None | One size | 10   | \$15.58    | \$155.75       | \$16.35    | \$163.54       | \$17.17    | \$171.71       | \$18.03    | \$180.30       | \$18.93    | \$189.32       |
|        |                                                                                          |      |      |      |          |      | Subtotal : | \$155.75       | Subtotal   | \$163.54       | Subtotal   | \$171.71       | Subtotal   | \$180.30       | Subtotal   | \$189.32       |

| ANNUAL SUBTOTAL |  |              |               |  |              |               |  |              |               |  |              |               |  |              |  |  |
|-----------------|--|--------------|---------------|--|--------------|---------------|--|--------------|---------------|--|--------------|---------------|--|--------------|--|--|
| Subtotal YR 1   |  | \$153,372.93 | Subtotal YR 2 |  | \$161,041.57 | Subtotal YR 3 |  | \$169,093.65 | Subtotal YR 4 |  | \$177,548.34 | Subtotal YR 5 |  | \$186,425.75 |  |  |

|             |              |              |              |            |              |            |              |            |              |
|-------------|--------------|--------------|--------------|------------|--------------|------------|--------------|------------|--------------|
| Tax         | \$11,886.40  | Tax          | \$12,480.72  | Tax        | \$13,104.76  | Tax        | \$13,760.00  | Tax        | \$14,448.00  |
| Total YR 1  | \$165,259.33 | Total YR 2   | \$173,522.30 | Total YR 3 | \$182,198.41 | Total YR 4 | \$191,308.33 | Total YR 5 | \$200,873.75 |
| Grand Total |              | \$913,162.11 |              |            |              |            |              |            |              |



**DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 9/3/2026**

## **Agenda Item No. 09**

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

**September 17, 2026**

**SUBJECT:**

California Department of Transportation (Caltrans) Program of Projects for Federal Fiscal Year (FFY) 2025 Federal Transit Administration (FTA) Section 5311 Formula Funding

**RECOMMENDATION:**

That the San Diego Metropolitan Transit System (MTS) Board of Directors:

- 1) Accept the allocation of \$273,099 in FFY 2025 Section 5311 funds for operating assistance in rural areas; and
- 2) Ratify Resolution No. 25-05 (Attachment A) adopted by the Board of Directors on June 26, 2025 (Agenda Item No. 8).

**Budget Impact**

MTS will receive federal FY 2025 5311 funds in the amount of \$273,099 for operating assistance. The 5311 program has a 44.67% match requirement. MTS will be required to provide matching funds in the amount of \$220,483.

**DISCUSSION:**

The federal government, through the FTA's Section 5311 Non-Urbanized Area Formula Program, provides funding for capital and operating assistance to agencies providing rural transportation. These funds do not come directly to MTS, but are instead apportioned to the states. In turn, Caltrans, on behalf of the State of California, reapportions the funds to the various regions based solely on each region's rural population as a share of the state total rural population. In San Diego, the San Diego Association of Governments (SANDAG) allocates these funds to North County Transit District and MTS based on the relative rural population in each agency's service area.

MTS's apportionment of Federal Fiscal Year (FFY) 2025 5311 funds is \$273,099, which is anticipated to be received in the coming months. These funds will be applied towards FY 2026 rural operations of Routes 838, 888, 891, and 892.



Caltrans requires the submission of a resolution by each agency Board of Directors authorizing the submission of a grant application and project programming. SANDAG will also amend the Regional Transportation Improvement Program in the event of a grant award, as per Caltrans requirements.

In anticipation of FFY 2025 Section 5311 Non-Urbanized Area Formula Fund grant applications, on June 26, 2025 (Agenda Item No. 08), the MTS Board of Directors adopted Resolution No. 25-05 and took other action necessary to accept this funding for operating assistance in rural areas. This is formula funding that must be spent on qualifying projects. Routes 838, 888, 891, and 892 are rural routes that qualify under this program.

It was later discovered that the June 2025 agenda item report incorrectly stated the grant and match requirement amounts. Staff inadvertently reversed the required match funding and federal allocation request amounts, reporting a federal funding request of \$220,483 and a required MTS match of \$273,099. MTS staff intended to reflect \$273,099 as the federal allocation request and \$220,483 as the required match. Resolution No. 25-05 (see Attachment A) did not include any specific funding or match amounts but instead authorized the Chief Executive Officer to apply for the funding and take actions necessary to secure the funding and comply with the grant requirements. In order to make sure the written record is accurate, and Board direction is clear, today's proposed action would formally authorize acceptance of the \$273,099 in FFY 2025 Section 5311 funds and ratify Resolution No. 25-05.

Today's proposed action would accept the federal allocation of \$273,099 in FFY 2025 Section 5311 funds and would ratify the previously adopted Resolution No. 25-05 related to this funding.

Therefore, staff recommends that the MTS Board of Directors:

- 1) Accept the allocation of \$273,099 in FFY 2025 Section 5311 funds for operating assistance in rural areas; and
- 2) Ratify Resolution No. 25-05 (Attachment A) adopted by the Board of Directors on June 26, 2025 (Agenda Item No. 8).

/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. Resolution No. 25-05

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Resolution No. 25-05

Resolution Authorizing Federal Funding Under FTA Section 5311(49 U.S.C. Section 5311)  
with the California Department of Transportation

WHEREAS, the U.S. Department of Transportation is authorized to make grants to states through the Federal Transit Administration (FTA) to support capital and operating assistance projects for nonurbanized public transit services under Section 5311 of the Federal Transit Act (FTA C 9040.1F and FTA C 9050.1); and

WHEREAS, the California Department of Transportation has been designated by the Governor of the State of California to administer Section 5311 grants for transportation projects for the general public for the rural transit and intercity bus; and

WHEREAS, the San Diego Metropolitan Transit System (MTS) desires to apply for said financial assistance to operate rural transit service and support capital improvements in San Diego County; and

WHEREAS, MTS has, to the maximum extent feasible, coordinated and consulted with other transportation providers and users in the region (including social service agencies);

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED that MTS does hereby authorize the Chief Executive Officer, or designated representative, to file and execute any actions necessary on behalf of MTS with the California Department of Transportation to aid in the financing of operating or capital assistance projects pursuant to Section 5311 of the Federal Transit Act (FTA C 9040.1F and FTA C 9050.1), as amended;

1. The Chief Executive Officer is authorized to execute and file all certification of assurances, contracts or agreements or any other document required by the Department.
2. The Chief Executive Officer is to provide additional information as the Department may require in connection with the application for the Section 5311 projects.
3. The Chief Executive Officer is authorized to submit and approve request for reimbursement of funds from the Department for the Section 5311 project(s).

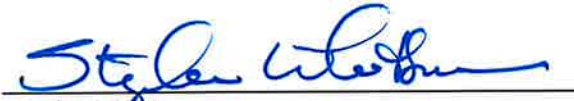
PASSED AND ADOPTED, by the Board of Directors this 26<sup>th</sup> day of June 2025, by the following vote:

AYES: *Fernandez, Foster, McCann, Koval, Leyba-Gonzalez,  
Montgomery Steppe, Dillard Whitburn, Goble, Moreno, Fleming*

NAYS:

ABSENT: *Mendoza, Bush, Elo-Rivera, Vaus*

ABSTAINING:



Chairperson  
San Diego Metropolitan Transit System

Filed by:

Approved as to form:



Clerk of the Board  
San Diego Metropolitan Transit System



Office of the General Counsel  
San Diego Metropolitan Transit System



**Metropolitan  
Transit  
System**

**DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 9/3/2026**

## **Agenda Item No. 10**

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
BOARD OF DIRECTORS

September 17, 2026

**SUBJECT:**

Strategic Growth Council (SGC) – Transformative Climate Communities (TCC) Program Round 5- Award and Project Acceptance

**RECOMMENDATION:**

That the San Diego Metropolitan Transit System (MTS) Board of Directors:

- 1) Approve Resolution No. 26-17 (in substantially the same format as Attachment A) authorizing the Chief Executive Officer (CEO) to accept the Round 5 SGC –TCC Program Grant via the San Diego Foundation in an amount of \$1,807,400 for the 12th & Imperial Transit Center Project and Installation of a Mural; and
- 2) Authorize the CEO to take all actions necessary to fulfill MTS's obligations under the resolution, including, but not limited to, executing a Subaward Agreement for the grant funded portion of the project.

**Budget Impact**

The total grant funding awarded is \$1,807,400 with no local match requirement and will support the following projects:

| <b>Project</b>                                                | <b>TCC Grant Funding</b> |
|---------------------------------------------------------------|--------------------------|
| 12th & Imperial Transit Center Project*                       | \$1,700,000              |
| Installation of a Mural (located at MTS Rail Yard Building B) | \$107,400                |

The 12<sup>th</sup> & Imperial Transit Center Project<sup>1</sup> will expand the 12<sup>th</sup> & Imperial bus transit center. The project will increase the number of bus bays, incorporate multi-modal hub components, and improve passenger amenities. This project is primarily funded by the California State Transportation Agency's Transit and Intercity Rail Capital Program (TIRCP). The TCC funding award will help offset the additional costs to complete this project.

<sup>1</sup> The TCC Application referenced this project as the "12<sup>th</sup> and Imperial Multi-Modal Transit Hub" within the application.



## DISCUSSION:

On September 14, 2016, Governor Brown signed AB 2722 (Burke 2016), which created the TCC Program, administered by the SGC in partnership with the Department of Conservation (DOC) and other State agencies. The TCC Program furthers the purposes of AB 32 (Nunez 2006) and AB 2722 by funding projects that reduce Greenhouse Gas (GHG) emissions through the development and implementation of neighborhood-level transformative climate community plans. Such plans include multiple, coordinated projects that provide local economic, environmental, and health benefits to disadvantaged communities and reduce GHG emissions. Through a competitive grant process, the program invests in integrated, place-based projects that advance sustainable transportation, affordable housing, urban greening, and climate resilience. Participation in the TCC Program provides an opportunity to leverage state funding to implement high-impact strategies aligned with local and regional climate goals.

Funded projects must demonstrate measurable outcomes, including reductions in greenhouse gas emissions, improved air quality, expanded mobility options, and enhanced overall community well-being. Strong partnerships, particularly with transit agencies, are critical to the competitiveness of TCC Program applications. Collaboration strengthens proposals by demonstrating the capacity to deliver integrated, multimodal projects that reduce emissions and expand equitable access to transportation. These partnerships also ensure that infrastructure investments are well-coordinated, feasible, and aligned with regional mobility goals, ultimately enhancing the project's ability to achieve meaningful climate, air quality, and community benefits.

In 2022, the San Diego Foundation, in partnership with the Environmental Health Coalition and ten community and institutional partners, developed a TCC application titled "Rooted in Comunidad, Cultivating Equity." The application was intentionally designed to be community-driven, incorporating direct resident input gathered through surveys and two community workshops facilitated by the Environmental Health Coalition during the planning process.

The proposed project portfolio comprises coordinated efforts to reduce greenhouse gas emissions while improving quality of life in the Historic Neighborhoods of Barrio Logan, Logan Heights, Sherman Heights, Mt. Hope, Shelltown, Stockton, Grant Hill, and Southcrest.

Individual projects included in the San Diego Foundation TCC grant application were:

- **Tierras Indígenas Community Land Trust:** Supports long-term community ownership and preservation of affordable housing and community assets in the Historic Barrios.
- **Holistic Healthy Homes Program:** A coalition of six community-based organizations will implement indoor air quality and home efficiency improvements in 25 households, including electrification upgrades, xeriscaping, and related repairs.
- **Transit Stop and Trolley Transit Center Improvements:** In partnership with the San Diego Metropolitan Transit System, upgrades will enhance safety, accessibility, and usability of key transit stops and stations.
- **Chicano Park Museum and Cultural Center Solar Installation:** Installation of solar infrastructure to reduce emissions and provide resilient, clean energy for a key cultural and community space.
- **Via Verde Free Electric Shuttle:** A free, on-demand, bilingual electric shuttle service providing equitable first-mile/last-mile transportation in Barrio Logan and Logan Heights.



- **Project New Village Community Gardens and Resource Center:** Development of a 12,000-square-foot facility supporting community-based food production, distribution, and food security.
- **Boston Avenue Park:** Creation of a multi-use green buffer along the I-5 corridor featuring recreational amenities, public art, pedestrian and bicycle infrastructure, and community gathering spaces.
- **Urban Tree Planting Program:** Planting of over 700 trees in the project area to improve air quality, expand shade, reduce urban heat, and enhance public spaces.



The San Diego Foundation TCC grant was awarded, providing a total \$29,500,000 in funding for the listed projects.<sup>2</sup> The MTS portion of the grant is \$1,807,400. The funding will support the construction phase of the 12th & Imperial Transit Center Project and installation of a mural on MTS's Rail Yard Building B adjacent to the 12<sup>th</sup> & Imperial Transit Center. To further support this program and contribute to the goals of the overall project, MTS plans to install up to 25 bus shelters within the project area neighborhoods listed above.

Today's action recommends that the MTS Board of Directors:

- 1) Approve Resolution No. 26-17 authorizing the CEO to accept the Round 5 SGC – TCC Program via the San Diego Foundation in the amount of \$1,807,400 for the 12th & Imperial Transit Center Project and Installation of a Mural; and

<sup>2</sup> The grant was initially awarded for \$22,125,000 in December 2023 ([https://sgc.ca.gov/wp-content/uploads/20231214-7\\_Attachment\\_A\\_TCC\\_R5\\_Implementation\\_Grant\\_Award\\_Details.pdf](https://sgc.ca.gov/wp-content/uploads/20231214-7_Attachment_A_TCC_R5_Implementation_Grant_Award_Details.pdf)), but was revised in December 2025 to increase the amount to meet the initial request of \$29,500,000 ([https://sgc.ca.gov/wp-content/uploads/SGC\\_20251210\\_Item6\\_SR\\_ADA.pdf](https://sgc.ca.gov/wp-content/uploads/SGC_20251210_Item6_SR_ADA.pdf)).

- 2) Authorize the CEO to take all actions necessary to fulfill MTS's obligations under the resolution, including, but not limited to, executing a Subaward Agreement for the grant funded portion of the project.

/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. Resolution No. 26-17

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Resolution No. 26-17

Resolution Authorizing the Acceptance of Strategic Growth Council –  
Transformative Climate Communities Program Round 5 funding for the  
12<sup>th</sup> & Imperial Transit Center Project and Installation of a Mural  
as part of the Environmental Health Coalition, in partnership with the San Diego Foundation,  
Transformative Climate Communities application titled “Rooted in Comunidad, Cultivating Equity”

WHEREAS, the San Diego Metropolitan Transit System (MTS) is an eligible project partner and may receive state funding from the San Diego Foundation now or sometime in the future for transit projects; and

WHEREAS, the San Diego Foundation (“Applicant”), applied to the Department in response to the NOFO (the “Application”) and was determined to be an eligible Applicant; and

WHEREAS, the Department made an award of Program funds (the “Program Award”) to project sponsor; and

WHEREAS, MTS was included as a non-applicant partner to the Sponsor Application and through Program Award, MTS will receive \$1,807,400 to support the 12th & Imperial Transit Center Project and Installation of a Mural;

NOW, THEREFORE, IT IS RESOLVED, that MTS is hereby authorized and directed to act in connection with Sponsor in relation to its Program Award; and

BE IT FURTHER RESOLVED, MTS wishes to delegate authorization to execute these documents and any amendments thereto to the Chief Executive Officer (CEO) and/or the General Counsel; and

BE IT FURTHER RESOLVED, MTS wishes to allocate \$1,807,400 from Strategic Growth Council – Transformative Climate Communities Program Round 5 Grant Award funds for the 12th & Imperial Transit Center Project and Installation of a Mural; and

NOW THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED by the MTS Board of Directors, does hereby attest and certify that the foregoing is a true, full, and correct copy of a resolution that was duly adopted by the governing body on September 17, 2026, and that the resolution has not been altered, amended, modified, repealed, rescinded, or annulled.

PASSED AND ADOPTED, by the Board of Directors this 17th day of September 2026 by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

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Chairperson  
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

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Clerk of the Board  
San Diego Metropolitan Transit System

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General Counsel  
San Diego Metropolitan Transit System



**DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 9/3/2026**

## **Agenda Item No. 11**

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
BOARD OF DIRECTORS

September 17, 2026

**SUBJECT:**

America Plaza Pedestrian Enhancements Project – Work Order Amendment

**RECOMMENDATION:**

That the San Diego Metropolitan Transit System (MTS) Board of Directors:

- 1) Ratify Work Order Amendment No. WOA2497-CM04.02, under MTS Doc No. G2497.0-21 (Attachment A), with Jacobs Project Management Co. (Jacobs), in the amount of \$148,868.00 for additional funding and revisions to Jacobs' personnel and classifications for construction management services; and
- 2) Authorize the Chief Executive Officers (CEO) to execute Work Order Amendment No. WOA2497-CM04.03, under MTS Doc No. G2497.0-21 (in substantially the same format as Attachment B), with Jacobs, in the amount of \$49,470.72 for additional funding to provide construction management services.

**Budget Impact**

The total cost of these Amendments is estimated to be \$198,338.72, and the total contract cost of the services is estimated to be \$774,370.01 (inclusive of the total costs for Amendment 2 and 3). This project is funded by the California State Transportation Agency - Transit and Intercity Rail Capital Program (TIRCP) and the MTS Capital Improvement Program (CIP) 2009108001 – America Plaza Pedestrian Enhancements – Design

**DISCUSSION:**

As part of its grant application to the State of California for the Transit and Intercity Rail Capital Program (TIRCP), MTS identified a need to improve pedestrian connections between America Plaza and Santa Fe Depot. As a gateway to San Diego for travelers arriving downtown by passenger rail, or by bus from the airport, the America Plaza/Santa Fe Depot station area is a critical transportation center for the region. The existing public walkways and wayfinding do not adequately accommodate pedestrian demand today. The improvements for this project are focused on Kettner Boulevard, within City of San Diego right-of-way. Pedestrian travel through this busy connection point, which has grown due to the Mid-Coast Trolley extension opening in 2021, is further increasing the need for the project. The State of California awarded MTS just over \$3.75 million for the project in a 2018 TIRCP Grant.



On September 15, 2022 (Agenda Item (AI) 18), the MTS Board authorized a work order with Jacobs to perform construction management services for the America Plaza Pedestrian Enhancements project. The work order period of performance follows the project construction schedule. Due to extended dialogue with the City addressing design comments and lead time to obtain the construction permit, the project start date was delayed. The project was scheduled for completion within 270 calendar days, with construction commencing on June 18, 2025, and an anticipated completion date of March 15, 2026. However, during construction, the project encountered numerous unforeseen conditions that impacted the schedule, including additional requirements imposed by the City of San Diego, which required additional coordination and review time, as well as contractor-related delays that further impacted the project schedule. As a result, the project completion date was first extended to the end of July 2026. The project is currently anticipated to be completed by the end of September 2026. Accordingly, Jacobs requires additional construction management support through the revised completion date.

On September 22, 2025, under Board Policy 41, the CEO approved Work Order Amendment No. WOA2497-CM04.01 with Jacobs to add job classifications needed to perform the services.

On March 26, 2026, under Board Policy 41, the CEO approved Work Order Amendment No. WOA2497-CM04.02 with Jacobs for additional funding and revisions to Jacobs' personnel and classifications for the services.

Today's proposed action would authorize Work Order Amendment No. WOA2497-CM04.03 with Jacobs for additional funds for the continued provision of construction management services for the America Plaza Pedestrian Enhancement Project.

Based on the level of effort and labor classifications, the pricing was determined to be fair and reasonable. For this amendment, Jacobs will not be using subconsultants.

The Work Order and amendments are summarized below:

| <b>Work Order No.</b> | <b>Purpose</b>                                                        | <b>Amount</b>       | <b>Board Approval Date</b>     |
|-----------------------|-----------------------------------------------------------------------|---------------------|--------------------------------|
| WOA2497-CM04          | Original Work Order                                                   | \$575,591.29        | 09/15/2022 (AI 18)             |
| WOA2497-CM04.01       | Amendment No. 1 – Add classifications needed to perform the services. | \$0.00              | Approved by the CEO<br>9/22/25 |
| WOA2497-CM04.02       | Amendment 2 – Additional funds                                        | \$148,868.00        | Approved by the CEO<br>3/26/26 |
| WOA2497-CM04.03       | Amendment 2 – Additional Funds                                        | \$49,910.72         | Today's proposed action        |
| <b>Total</b>          |                                                                       | <b>\$774,370.01</b> |                                |

Therefore, staff recommends that the MTS Board of Directors:

- 1) Ratify Work Order Amendment No. WOA2497-CM04.02, under MTS Doc No. G2497.0-21 (Attachment A), with Jacobs, in the amount of \$148,868.00 for additional funding and revisions to Jacobs' personnel and classifications for construction management services; and

- 2) Authorize the CEO to execute Work Order Amendment No. WOA2497-CM04.03, under MTS Doc No. G2497.0-21 (in substantially the same format as Attachment B), with Jacobs, in the amount of \$49,470.72 for additional funding to provide construction management services.

/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. Executed Work Order Amendment, MTS Doc No. G2497.0-21, WOA2497-CM04.02  
B. Draft Work Order Amendment, MTS Doc No. G2497.0-21, WOA2497-CM04.03



**Metropolitan  
Transit  
System**

March 17, 2026

MTS Doc. No. G2497.0-21  
Work Order No. WOA2497-CM04.02

Michael Albanese  
Vice President  
Jacobs Project Management Co.  
401 B St., Ste. 1560  
San Diego, CA 92101

Dear Mr. Albanese:

Subject: AMENDMENT NO. 2 TO WORK ORDER WOA2497-CM04 TO MTS DOC. NO. G2497.0-21,  
FOR CONSTRUCTION MANAGEMENT (CM) SERVICES FOR AMERICAN PLAZA PEDESTRIAN  
PLAN

This letter shall serve as Amendment No. 2 to our agreement for Work Order WOA2497-CM04 to MTS Doc. No. G2497.0-21, for Construction Management services under the Construction Management Consultant Agreement, as further described below.

#### SCOPE OF SERVICES

There shall be no change to the Scope of Services, as a result of this Amendment. This Amendment adds the Senior Civil Inspector classification, removes Steve Gilbert as Engineer Supervisor and replaces them with Dave Zaroni, Senior Engineer and adds hours to the Negotiated Fee Proposal for Senior Engineer, Senior Civil Inspector and Senior Scheduler (Attachment A). The hourly rate for the Senior Civil Inspector shall be \$191.08.

#### SCHEDULE

There shall be no change the Schedule, as a result of this Amendment. The Schedule shall follow the contract for American Plaza Construction.

#### PAYMENT

As a result of this Amendment, additional funds in the amount of \$148,868.00 shall be added to the agreement. Payment shall be based on actual costs in the amount not-to-exceed \$724,459.29 without prior written authorization of MTS





Please sign below, and return the document to the Contracts Specialist at MTS. All other terms and conditions shall remain the same and in effect.

Sincerely,

A handwritten signature in black ink, reading "Sharon Cooney", is written over a horizontal line.

Sharon Cooney  
Chief Executive Officer

Accepted:

A handwritten signature in blue ink, reading "Michael Albanese", is written over a horizontal line.

Michael Albanese – Vice President  
Jacobs Project Management Co.

Date: April 3, 2026

Attachments: A. Negotiated Fee Proposal

ATTACHMENT A  
NEGOTIATED FEE PROPOSAL

# Work Order Estimate Summary

Att. A, Item 11, 09/17/2026

|                |                 |
|----------------|-----------------|
| MTS Doc. No.   | G2497.0-21      |
| Work Order No. | WOA2497-CM04.02 |
| Attachment:    | B               |
| Change Order:  | 2               |

Work Order Title: CM Services for America Plaza - Amendment No. 2

Project No: W9Y36003

Table 1 - Cost Codes Summary (Costs & Hours)

| Item | Cost Codes | Cost Codes Description | Labor Hrs | Total Costs   |
|------|------------|------------------------|-----------|---------------|
| 1    | 0100       | ADMINISTRATION         | 1,585     | \$ 313,540.21 |
| 2    | 0255       | INSPECTION             | 2,323     | 410,919.08    |

Totals = 3,908 \$ 724,459.29

Table 2 - TASKS/WBS Summary (Costs & Hours)

| Item | TASKS/WBS   | TASKS/WBS Description                               | Labor Hrs | Total Costs   |
|------|-------------|-----------------------------------------------------|-----------|---------------|
| 1.1  | ADMIN       | Preconstruction Services                            | 116       | \$ 20,904.92  |
| 1.2  | ADMIN       | Construction Phase                                  | 1,196     | \$ 239,799.64 |
| 1.3  | ADMIN       | Closeout Phase                                      | 168       | \$ 31,397.76  |
| 1.4  | ADMIN       | INVOICING / SCHEDULING / PROGRESS REPORTING / ADMIN | 89        | \$ 18,112.85  |
| 2.1  | ENGINEERING | Civil Inspection                                    | 1,984     | \$ 344,370.09 |
| 2.2  | ENGINEERING | Storm Water Inspection                              | 88        | \$ 15,234.00  |
| 2.4  | ENGINEERING | INSPECTION                                          | 99        | \$ 20,370.35  |
| 2.5  | ENGINEERING | INVOICING / SCHEDULING / PROGRESS REPORTING / ADMIN | 16        | \$ 3,325.04   |
| 2.6  | ENGINEERING | MATERIAL TESTING                                    | 152       | \$ 30,944.64  |

Totals = 3,908 \$ 724,459.29

Table 3 - Consultant/Subconsultant Summary (Costs & Hours)

| (If Applicable, Select One) |      |     |       | Consultant              | Labor Hrs | Total Costs   |
|-----------------------------|------|-----|-------|-------------------------|-----------|---------------|
| DBE                         | DVBE | SBE | Other |                         |           |               |
|                             |      |     | X     | Jacobs                  | 3,552     | \$ 651,706.41 |
| X                           |      | X   |       | Destination Enterprises | 188       | \$38,483.20   |
| X                           |      | X   |       | S2 Engineering          | 168       | \$34,269.68   |
|                             |      |     |       |                         |           |               |
|                             |      |     |       |                         |           |               |
|                             |      |     |       |                         |           |               |

Totals = 3,908 \$ 724,459.29

## Work Order Estimate Summary

Att. A, Item 11, 09/17/2026

|                           |                                                 |
|---------------------------|-------------------------------------------------|
| Consultant/Subconsultant: | JACOBS PROJECT MANAGEMENT CO.                   |
| Total Hours =             | 1,676.00                                        |
| Total Costs =             | \$287,588.41                                    |
| Work Order Title:         | CM Services for America Plaza - Amendment No. 2 |

| Item | TASKS/WBS   | TASKS/WBS Description         | ODCs<br>(See<br>Attachment) | Michael<br>Albanese | Steve Gilbert           | Jean Shin    | Tom Lamere<br>Straight Time       | Tom Lamere<br>Overtime            | Scott<br>Marquardt       |      |      | Total Hours | Totals        |
|------|-------------|-------------------------------|-----------------------------|---------------------|-------------------------|--------------|-----------------------------------|-----------------------------------|--------------------------|------|------|-------------|---------------|
|      |             |                               |                             | Contract<br>Manager | Engineer<br>Supervising | Engineer II  | Senior Civil<br>Inspector<br>(PW) | Senior Civil<br>Inspector<br>(PW) | Storm Water<br>Inspector |      |      |             |               |
|      |             |                               |                             | \$ 309.85           | \$ 206.57               | \$ 144.60    | \$ 155.10                         | \$ 232.65                         | \$ 171.43                |      |      |             |               |
| 1    | ADMIN       | PM & COORDINATION             |                             |                     |                         |              |                                   |                                   |                          |      |      |             |               |
| 1.1  | 0100        | Preconstruction Services      |                             | 4                   | 56                      | 56           |                                   |                                   |                          |      |      | 116         | \$ 20,904.92  |
| 1.2  | 0100        | Construction Phase            |                             | 24                  | 240                     | 240          |                                   |                                   |                          |      |      | 504         | \$91,717.20   |
| 1.3  | 0100        | Closeout Phase                |                             |                     |                         |              |                                   |                                   |                          |      |      |             | \$ -          |
| 1.4  |             |                               |                             |                     |                         |              |                                   |                                   |                          |      |      |             | \$ -          |
|      |             | Subtotals (Hours) =           | 620                         | 28                  | 296                     | 296          |                                   |                                   |                          |      |      | 620         |               |
|      |             | Subtotals (Costs) =           |                             | \$ 8,675.80         | \$ 61,144.72            | \$ 42,801.60 | \$ -                              | \$ -                              | \$ -                     | \$ - | \$ - |             | \$ 112,622.12 |
| 2    | ENGINEERING | INSPECTION                    |                             |                     |                         |              |                                   |                                   |                          |      |      |             |               |
| 2.1  | 0255        | Civil Inspection              | \$ 7,784.61                 |                     |                         |              | 968                               | 32                                |                          |      |      | 1,000       | \$165,366.21  |
| 2.2  | 0255        | Storm Water Inspection        |                             |                     |                         |              |                                   |                                   | 56                       |      |      | 56          | \$9,600.08    |
| 2.3  |             |                               |                             |                     |                         |              |                                   |                                   |                          |      |      |             |               |
|      |             | Subtotals (Hours) =           | 1056                        |                     |                         |              | 968                               | 32                                | 56                       |      |      | 1,056       |               |
|      |             | Subtotals (Costs) =           | \$7,784.61                  | \$ -                | \$ -                    | \$ -         | \$ 150,136.80                     | \$ 7,444.80                       | \$ 9,600.08              | \$ - | \$ - |             | \$174,966.29  |
|      |             | Totals (Summary) =            |                             |                     |                         |              |                                   |                                   |                          |      |      | 1,676       | \$ 287,588.41 |
|      |             | Total (Hours) =               | 1676                        | 28                  | 296                     | 296          | 968                               | 32                                | 56                       |      |      |             |               |
|      |             | Total (Costs) =               | \$ 7,784.61                 | \$ 8,675.80         | \$ 61,144.72            | \$ 42,801.60 | \$ 150,136.80                     | \$ 7,444.80                       | \$ 9,600.08              | \$ - | \$ - |             |               |
|      |             | Percentage of Total (Hours) = | 0.58%                       | 2%                  | 18%                     | 18%          | 58%                               | 2%                                | 3%                       |      |      |             | 100%          |
|      |             | Percentage of Total (Costs) = | 2.71%                       | 3%                  | 21%                     | 15%          | 52%                               | 3%                                | 3%                       |      |      |             | 100%          |

## Work Order Estimate Summary

Att. A, Item 11, 09/17/2026

|                           |                                                 |
|---------------------------|-------------------------------------------------|
| Consultant/Subconsultant: | JACOBS PROJECT MANAGEMENT CO.                   |
| Total Hours =             | 1,876.00                                        |
| Total Costs =             | \$364,118.00                                    |
| WOA2497-CM04.02           |                                                 |
| Work Order Title:         | CM Services for America Plaza - Amendment No. 2 |

| CM Services for America Plaza - Amendment No. 1 |             |                               |                          |                  |                      |              |                             |                             |                       |                    |                             |                 |             |               |
|-------------------------------------------------|-------------|-------------------------------|--------------------------|------------------|----------------------|--------------|-----------------------------|-----------------------------|-----------------------|--------------------|-----------------------------|-----------------|-------------|---------------|
| Item                                            | TASKS/WBS   | TASKS/WBS Description         | ODCs<br>(See Attachment) | Michael Albanese | Steve Gilbert        | Jean Shin    | Tom Lamere Straight Time    | Tom Lamere Overtime         | Scott Marquardt       | Bijan Yaghoubzadeh | Rob Hehman Straight Time    | Dave Zanoni     | Total Hours | Totals        |
|                                                 |             |                               |                          | Contract Manager | Engineer Supervising | Engineer II  | Senior Civil Inspector (PW) | Senior Civil Inspector (PW) | Storm Water Inspector | Scheduler, Senior  | Senior Civil Inspector (PW) | Senior Engineer |             |               |
|                                                 |             |                               |                          | \$ 318.22        | \$ 212.15            | \$ 148.50    | \$ 159.28                   | \$ 238.92                   | \$ 176.06             | \$ 230.34          | \$ 191.08                   | \$ 230.34       |             |               |
| 1                                               | ADMIN       | PM & COORDINATION             |                          |                  |                      |              |                             |                             |                       |                    |                             |                 |             |               |
| 1.1                                             | 0100        | Preconstruction Services      |                          |                  |                      |              |                             |                             |                       |                    |                             |                 |             | \$ -          |
| 1.2                                             | 0100        | Construction Phase            |                          | 12               | 140                  | 120          |                             |                             |                       | 100                |                             | 320             | 692         | \$ 148,082.44 |
| 1.3                                             | 0100        | Closeout Phase                |                          | 8                | 80                   | 80           |                             |                             |                       |                    |                             |                 | 168         | \$ 31,397.76  |
| 1.4                                             |             |                               |                          |                  |                      |              |                             |                             |                       |                    |                             |                 |             | \$ -          |
|                                                 |             | Subtotals (Hours) =           | 860                      | 20               | 220                  | 200          |                             |                             |                       | 100                |                             | 320             | 860         |               |
|                                                 |             | Subtotals (Costs) =           | \$ -                     | \$ 6,364.40      | \$ 46,673.00         | \$ 29,700.00 | \$ -                        | \$ -                        | \$ -                  | \$ 23,034.00       | \$ -                        | \$ 73,708.80    | \$ -        | \$ 179,480.20 |
| 2                                               | ENGINEERING | INSPECTION                    |                          |                  |                      |              |                             |                             |                       |                    |                             |                 |             |               |
| 2.1                                             | 0255        | Civil Inspection              | \$ 10,185.00             |                  |                      |              | 640                         | 24                          |                       |                    | 320                         |                 | 984         | \$ 179,003.88 |
| 2.2                                             | 0255        | Storm Water Inspection        | \$ -                     |                  |                      |              |                             |                             | 32                    |                    |                             |                 | 32          | \$ 5,633.92   |
| 2.3                                             |             |                               |                          |                  |                      |              |                             |                             |                       |                    |                             |                 |             | \$ -          |
|                                                 |             | Subtotals (Hours) =           | 1016                     |                  |                      | 640          | 24                          | 32                          |                       |                    | 320                         |                 | 1,016       |               |
|                                                 |             | Subtotals (Costs) =           | \$ 10,185.00             | \$ -             | \$ -                 | \$ -         | \$ 101,939.20               | \$ 5,734.08                 | \$ 5,633.92           | \$ -               | \$ 61,145.60                | \$ -            | \$ -        | \$ 184,637.80 |
|                                                 |             | Totals (Summary) =            |                          |                  |                      |              |                             |                             |                       |                    |                             |                 | Totals =    |               |
|                                                 |             | Total (Hours) =               | 1876                     | 20               | 220                  | 200          | 640                         | 24                          | 32                    | 100                | 320                         | 320             | 1,876       | \$ 364,118.00 |
|                                                 |             | Total (Costs) =               | \$ 10,185.00             | \$ 6,364.40      | \$ 46,673.00         | \$ 29,700.00 | \$ 101,939.20               | \$ 5,734.08                 | \$ 5,633.92           | \$ 23,034.00       | \$ 61,145.60                | \$ 73,708.80    | \$ -        |               |
|                                                 |             | Percentage of Total (Hours) = | 0.52%                    | 1%               | 12%                  | 11%          | 34%                         | 1%                          | 2%                    | 5%                 | 17%                         | 17%             |             | 99%           |
|                                                 |             | Percentage of Total (Costs) = |                          | 2%               | 13%                  | 8%           | 28%                         | 2%                          | 2%                    | 6%                 | 17%                         | 20%             |             | 97%           |

# Work Order Estimate Summary

Att. A, Item 11, 09/17/2026

Consultant/ Subconsultant: JACOBS PROJECT MANAGEMENT CO.

Work Order Title: CM Services for America Plaza - Amendment No. 2

CM Services for America Plaza - Am

ODC  
Item

|                     |          |             | Task 2   |             |          |       |          |       |          |       |          |       |
|---------------------|----------|-------------|----------|-------------|----------|-------|----------|-------|----------|-------|----------|-------|
| Description         | Unit     | Unit Cost   | Quantity | Total       | Quantity | Total | Quantity | Total | Quantity | Total | Quantity | Total |
| 1 HOTEL             | Days     | \$ -        |          | \$ -        |          | \$ -  |          |       |          |       |          |       |
| 2 AIRFARE           | ea       | \$ -        |          | \$ -        |          | \$ -  |          |       |          |       |          |       |
| 3 RENTAL CAR        | ea       | \$ -        |          | \$ -        |          | \$ -  |          |       |          |       |          |       |
| 4 MEALS/INCIDENTALS | ea       | \$ -        |          | \$ -        |          | \$ -  |          |       |          |       |          |       |
| 5 VEHICLES          | Month    | \$ 1,200.00 | 6        | \$ 7,200.00 |          | \$ -  |          |       |          |       |          |       |
| 6 VEHICLES          | Mile     | \$ 0.585    | 1,000    | \$ 585.00   |          | \$ -  |          |       |          |       |          |       |
| 7                   | Rounding |             |          | \$ (0.39)   |          | \$ -  |          |       |          |       |          |       |
| 8                   |          |             |          | \$ -        |          | \$ -  |          |       |          |       |          |       |
| 9                   |          |             |          | \$ -        |          | \$ -  |          |       |          |       |          |       |
| 10                  |          |             |          | \$ -        |          | \$ -  |          |       |          |       |          |       |

Subtotal = \$ 7,784.61

Subtotal = \$ -

Subtotal =

Subtotal =

Subtotal =

TASKS/WBS (6-10)

ODC  
Item

|                              |  | Task 6   |       | Task 7   |       | Task 8   |       | Task 9   |       | Task 10  |       | Totals   |             |
|------------------------------|--|----------|-------|----------|-------|----------|-------|----------|-------|----------|-------|----------|-------------|
| Description                  |  | Quantity | Total | Quantity | Total | Quantity | Total | Quantity | Total | Quantity | Total | Quantity | Total       |
| 2.1 Track Inspection         |  |          |       |          |       |          |       |          |       |          |       | 6        | \$ 7,784.61 |
| 2.2 Special Track Inspection |  |          |       |          |       |          |       |          |       |          |       |          | \$ -        |

Subtotal =

Subtotal =

Subtotal =

Subtotal =

Subtotal =

Totals = \$ 7,784.61

Consultant/ Subconsultant: **JACOBS PROJECT MANAGEMENT CO.**

Work Order Title: **CM Services for America Plaza - Amendment No. 2**

CM Services for America Plaza - Am TASKS/WBS (1-5)

| ODC Item   | Description       | Unit  | Unit Cost   | Task 2       |             |                 |       |                   |        |                   |        |                   |        |
|------------|-------------------|-------|-------------|--------------|-------------|-----------------|-------|-------------------|--------|-------------------|--------|-------------------|--------|
|            |                   |       |             | Quantity     | Total       | Quantity        | Total | Quantity          | Total  | Quantity          | Total  | Quantity          | Total  |
| 1          | HOTEL             | Days  | \$ -        |              | \$ -        | 0               | \$ -  | 0                 | \$0.00 | 0                 | \$0.00 |                   | \$0.00 |
| 2          | AIRFARE           | ea    | \$ -        |              | \$ -        | 0               | \$ -  |                   | \$0.00 |                   | \$0.00 |                   | \$0.00 |
| 3          | RENTAL CAR        | ea    | \$ -        |              | \$ -        | 0               | \$ -  |                   | \$0.00 |                   | \$0.00 |                   | \$0.00 |
| 4          | MEALS/INCIDENTALS | ea    | \$ -        |              | \$ -        | 0               | \$ -  |                   | \$0.00 |                   | \$0.00 |                   | \$0.00 |
| 5          | VEHICLES          | Month | \$ 1,200.00 | 4            | \$ 4,800.00 | 0               | \$ -  | 0                 | \$0.00 |                   | \$0.00 |                   | \$0.00 |
| 6          | VEHICLES          | Mile  | \$ 0.585    | 1,000        | \$ 585.00   |                 | \$ -  | 0                 | \$0.00 |                   | \$0.00 |                   | \$0.00 |
| 7          | VEHICLES          | Month | \$ 1,200.00 | 4            | \$ 4,800.00 |                 | \$ -  |                   | \$0.00 |                   | \$0.00 |                   | \$0.00 |
| 8          |                   |       |             |              | \$ -        |                 | \$ -  |                   | \$0.00 |                   | \$0.00 |                   | \$0.00 |
| 9          |                   |       |             |              | \$ -        |                 | \$ -  |                   | \$0.00 |                   | \$0.00 |                   | \$0.00 |
| 10         |                   |       |             |              | \$ -        |                 | \$ -  |                   | \$0.00 |                   | \$0.00 |                   | \$0.00 |
| Subtotal = |                   |       |             | \$ 10,185.00 |             | Subtotal = \$ - |       | Subtotal = \$0.00 |        | Subtotal = \$0.00 |        | Subtotal = \$0.00 |        |

TASKS/WBS (6-10)

| ODC Item   | Description              | Task 6   |        | Task 7            |        | Task 8            |        | Task 9            |        | Task 10           |        | Totals                |              |
|------------|--------------------------|----------|--------|-------------------|--------|-------------------|--------|-------------------|--------|-------------------|--------|-----------------------|--------------|
|            |                          | Quantity | Total  | Quantity          | Total  | Quantity          | Total  | Quantity          | Total  | Quantity          | Total  | Quantity              | Total        |
| 2.1        | Track Inspection         |          | \$0.00 |                   | \$0.00 |                   | \$0.00 |                   | \$0.00 |                   | \$0.00 | 4                     | \$ 10,185.00 |
| 2.2        | Special Track Inspection |          | \$0.00 |                   | \$0.00 |                   | \$0.00 |                   | \$0.00 |                   | \$0.00 | 0                     | \$ -         |
| Subtotal = |                          | \$0.00   |        | Subtotal = \$0.00 |        | Subtotal = \$0.00 |        | Subtotal = \$0.00 |        | Subtotal = \$0.00 |        | Totals = \$ 14,985.00 |              |

# Work Order Estimate Summary

Att. A, Item 11, 09/17/2026

Consultant/Subconsultant: **Destination Enterprises**

Total Hours =

**78**

Total Costs =

**\$15,770.46**

Work Order Title: **CM Services for America Plaza - Amendment No. 2**

CM Services for America Plaza - Amendment No. 1

| Item                                 | TASKS/WBS          | TASKS/WBS Description                                  | ODCs<br>(See<br>Attachment) | Marcy<br>Szarama | Mark Crowley                  | George<br>Flowers             |      |      |      |      |      | Total<br>Hours | Totals              |
|--------------------------------------|--------------------|--------------------------------------------------------|-----------------------------|------------------|-------------------------------|-------------------------------|------|------|------|------|------|----------------|---------------------|
|                                      |                    |                                                        |                             | Task<br>Manager  | PW-Inspector<br>Straight Time | PW-Inspector<br>Straight Time |      |      |      |      |      |                |                     |
|                                      |                    |                                                        |                             | \$ 200.01        | \$ 200.29                     | \$ 205.68                     |      |      |      |      |      |                |                     |
| 1                                    | <b>Admin</b>       | <b>Work Order Management</b>                           |                             |                  |                               |                               |      |      |      |      |      |                |                     |
| 1.1                                  | 0100               | INVOICING / SCHEDULING /<br>PROGRESS REPORTING / ADMIN |                             | 11               | 32                            | 8                             |      |      |      |      |      | 51             | \$ 10,254.83        |
|                                      |                    | Subtotals (Hours) =                                    | 51                          | 11               | 32                            | 8                             |      |      |      |      |      | 51             |                     |
|                                      |                    | Subtotals (Costs) =                                    |                             | \$ 2,200.11      | \$ 6,409.28                   | \$ 1,645.44                   |      |      |      |      |      |                | \$ 10,254.83        |
| 2                                    | <b>Engineering</b> | <b>Field Survey</b>                                    |                             |                  |                               |                               |      |      |      |      |      |                |                     |
| 2.4                                  | 0255               | INSPECTION                                             | \$ -                        |                  | 7                             | 20                            |      |      |      |      |      | 27             | \$ 5,515.63         |
| 2.5                                  |                    |                                                        | \$ -                        |                  |                               |                               |      |      |      |      |      |                | \$ -                |
|                                      |                    | Subtotals (Hours) =                                    | 27                          |                  | 7                             | 20                            |      |      |      |      |      | 27             |                     |
|                                      |                    | Subtotals (Costs) =                                    | \$ -                        | \$ -             | \$ 1,402.03                   | \$ 4,113.60                   | \$ - | \$ - | \$ - | \$ - | \$ - |                | \$ 5,515.63         |
| <b>Totals (Summary) =</b>            |                    |                                                        |                             |                  |                               |                               |      |      |      |      |      | <b>78</b>      | <b>\$ 15,770.46</b> |
| <b>Total (Hours) =</b>               |                    |                                                        |                             |                  |                               |                               |      |      |      |      |      | 78             |                     |
| <b>Total (Costs) =</b>               |                    |                                                        |                             |                  |                               |                               |      |      |      |      |      |                |                     |
| <b>Percentage of Total (Hours) =</b> |                    |                                                        |                             |                  |                               |                               |      |      |      |      |      |                | 86%                 |
| <b>Percentage of Total (Costs) =</b> |                    |                                                        |                             |                  |                               |                               |      |      |      |      |      |                | 100%                |



Consultant/Subconsultant: **Destination Enterprises**

|               |                    |
|---------------|--------------------|
| Total Hours = | <b>110</b>         |
| Total Costs = | <b>\$22,712.74</b> |

Work Order Title: **CM Services for America Plaza - Amendment No. 2**

CM Services for America Plaza - Amendment No. 1

| Item                          | TASKS/WBS   | TASKS/WBS Description                                  | ODCs<br>(See<br>Attachment) | Marcy<br>Szarama | Mark Crowley                  | George<br>Flowers             |            |        |        |        |        | Total<br>Hours | Totals       |
|-------------------------------|-------------|--------------------------------------------------------|-----------------------------|------------------|-------------------------------|-------------------------------|------------|--------|--------|--------|--------|----------------|--------------|
|                               |             |                                                        |                             | Task Manager     | PW-Inspector<br>Straight Time | PW-Inspector<br>Straight Time |            |        |        |        |        |                |              |
|                               |             |                                                        |                             | \$ 205.41        | \$ 205.70                     | \$ 211.24                     |            |        |        |        |        |                |              |
| 1                             | Admin       | Work Order Management                                  |                             |                  |                               |                               |            |        |        |        |        |                |              |
| 1.1                           | 0100        | INVOICING / SCHEDULING / PROGRESS<br>REPORTING / ADMIN |                             | 10               | 20                            | 8                             |            |        |        |        |        | 38             | \$ 7,858.02  |
|                               |             | Subtotals (Hours) =                                    |                             | 10               | 20                            | 8                             | 0          | 0      | 0      | 0      | 0      | 38             |              |
|                               |             | Subtotals (Costs) =                                    |                             | \$0.00           | \$ 2,054.10                   | \$4,114.00                    | \$1,689.92 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00         | \$ 7,858.02  |
| 2                             | Engineering | Field Survey                                           |                             |                  |                               |                               |            |        |        |        |        |                |              |
| 2.4                           | 0255        | INSPECTION                                             | \$ -                        |                  | 64                            | 8                             |            |        |        |        |        | 72             | \$ 14,854.72 |
| 2.5                           |             |                                                        | \$ -                        |                  |                               |                               |            |        |        |        |        | 0              | \$ -         |
|                               |             | Subtotals (Hours) =                                    |                             | 0                | 64                            | 8                             | 0          | 0      | 0      | 0      | 0      | 72             |              |
|                               |             | Subtotals (Costs) =                                    | \$ -                        | \$ -             | \$ 13,164.80                  | \$ 1,689.92                   | \$ -       | \$ -   | \$ -   | \$ -   | \$ -   | \$ -           | \$ 14,854.72 |
| Totals (Summary) =            |             |                                                        |                             |                  |                               |                               |            |        |        |        |        | 110            | \$ 22,712.74 |
| Total (Hours) =               |             |                                                        |                             |                  |                               |                               |            |        |        |        |        | 110            |              |
| Total (Costs) =               |             |                                                        |                             |                  |                               |                               |            |        |        |        |        |                |              |
| Percentage of Total (Hours) = |             |                                                        |                             |                  |                               |                               |            |        |        |        |        |                | 91%          |
| Percentage of Total (Costs) = |             |                                                        |                             |                  |                               |                               |            |        |        |        |        |                | 100%         |

Consultant/Subconsultant: **S2 Engineering**

|               |                    |
|---------------|--------------------|
| Total Hours = | <b>88</b>          |
| Total Costs = | <b>\$20,768.40</b> |

Work Order Title: **CM Services for America Plaza - Amendment No. 2**

CM Services for America Plaza - Amendment No. 1

| Item                          | TASKS/WBS   | TASKS/WBS Description                                  | ODCs<br>(See<br>Attachment) | Subramony<br>Krishnamoorthy | Ikechi Okoro                           | Ikechi Okoro                           | Ikechi Okoro                         |      |      |      |      |      |      |    | Total<br>Hours | Totals       |              |      |      |      |      |      |      |      |      |              |
|-------------------------------|-------------|--------------------------------------------------------|-----------------------------|-----------------------------|----------------------------------------|----------------------------------------|--------------------------------------|------|------|------|------|------|------|----|----------------|--------------|--------------|------|------|------|------|------|------|------|------|--------------|
|                               |             |                                                        |                             | Engineer,<br>Supervising    | PW-Material<br>Tester Straight<br>Time | PW-Material<br>Tester Overtime<br>Time | PW-Material<br>Tester Double<br>Time |      |      |      |      |      |      |    |                |              |              |      |      |      |      |      |      |      |      |              |
|                               |             |                                                        |                             | \$ 205.05                   | \$ 161.60                              | \$ 234.82                              | \$ 308.05                            |      |      |      |      |      |      |    |                |              |              |      |      |      |      |      |      |      |      |              |
| 1                             | Admin       | Work Order Management                                  |                             |                             |                                        |                                        |                                      |      |      |      |      |      |      |    |                |              |              |      |      |      |      |      |      |      |      |              |
| 1.1                           | 0100        | INVOICING / SCHEDULING /<br>PROGRESS REPORTING / ADMIN |                             | 8                           |                                        |                                        |                                      |      |      |      |      |      |      | 8  | \$ 1,640.40    |              |              |      |      |      |      |      |      |      |      |              |
|                               |             | Subtotals (Hours) =                                    |                             | 8                           |                                        |                                        |                                      |      |      |      |      |      |      | 8  | \$ 1,640.40    |              |              |      |      |      |      |      |      |      |      |              |
|                               |             | Subtotals (Costs) =                                    |                             | \$ 1,640.40                 | \$ -                                   | \$ -                                   | \$ -                                 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | 8  | \$ 1,640.40    |              |              |      |      |      |      |      |      |      |      |              |
| 2                             | Engineering | Field Survey                                           |                             |                             |                                        |                                        |                                      |      |      |      |      |      |      |    |                |              |              |      |      |      |      |      |      |      |      |              |
| 2.6                           | 0255        | MATERIAL TESTING                                       | \$ 6,200.00                 |                             | 80                                     |                                        |                                      |      |      |      |      |      |      | 80 | \$ 19,128.00   |              |              |      |      |      |      |      |      |      |      |              |
|                               |             |                                                        |                             |                             |                                        |                                        |                                      |      |      |      |      |      |      |    | \$ -           |              |              |      |      |      |      |      |      |      |      |              |
|                               |             | Subtotals (Hours) =                                    |                             |                             | 80                                     |                                        |                                      |      |      |      |      |      |      | 80 | \$ 19,128.00   |              |              |      |      |      |      |      |      |      |      |              |
|                               |             | Subtotals (Costs) =                                    | \$ 6,200.00                 | \$ -                        | \$ 12,928.00                           | \$ -                                   | \$ -                                 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | 80 | \$ 19,128.00   |              |              |      |      |      |      |      |      |      |      |              |
| Totals (Summary) =            |             |                                                        |                             |                             |                                        |                                        |                                      |      |      |      |      |      |      |    | 88             | \$ 20,768.40 |              |      |      |      |      |      |      |      |      |              |
| Total (Hours) =               |             |                                                        |                             |                             |                                        |                                        |                                      |      |      |      |      |      |      |    | 88             |              |              |      |      |      |      |      |      |      |      |              |
| Total (Costs) =               |             |                                                        |                             |                             |                                        |                                        |                                      |      |      |      |      |      |      |    | \$ 6,200.00    | \$ 1,640.40  | \$ 12,928.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 20,768.40 |
| Percentage of Total (Hours) = |             |                                                        |                             |                             |                                        |                                        |                                      |      |      |      |      |      |      |    |                | 9%           | 91%          |      |      |      |      |      |      |      | 91%  |              |
| Percentage of Total (Costs) = |             |                                                        |                             |                             |                                        |                                        |                                      |      |      |      |      |      |      |    |                | 8%           | 62%          |      |      |      |      |      |      |      | 70%  |              |

Consultant/Subconsultant: **S2 Engineering**

|               |                    |
|---------------|--------------------|
| Total Hours = | <b>80</b>          |
| Total Costs = | <b>\$13,501.28</b> |

Work Order Title: **CM Services for America Plaza - Amendment No. 2**

CM Services for America Plaza - Amendment No. 1

| Item                          | TASKS/WBS   | TASKS/WBS Description                                  | ODCs<br>(See<br>Attachment) | Subramony<br>Krishnamoorthy | Ikechi Okoro                           | Ikechi Okoro                           | Ikechi Okoro                         |           |        |    |        |    |    |    | Total<br>Hours | Totals    |    |          |           |
|-------------------------------|-------------|--------------------------------------------------------|-----------------------------|-----------------------------|----------------------------------------|----------------------------------------|--------------------------------------|-----------|--------|----|--------|----|----|----|----------------|-----------|----|----------|-----------|
|                               |             |                                                        |                             | Engineer, Supervising       | PW-Material<br>Tester Straight<br>Time | PW-Material<br>Tester Overtime<br>Time | PW-Material<br>Tester Double<br>Time |           |        |    |        |    |    |    |                |           |    |          |           |
|                               |             |                                                        |                             |                             |                                        |                                        |                                      |           |        |    |        |    |    |    |                |           |    |          |           |
|                               |             |                                                        |                             | \$                          | 210.58                                 | \$                                     | 164.12                               | \$        | 238.61 | \$ | 313.10 |    |    |    |                |           |    |          |           |
| 1                             | Admin       | Work Order Management                                  |                             |                             |                                        |                                        |                                      |           |        |    |        |    |    |    |                |           |    |          |           |
| 1.1                           | 0100        | INVOICING / SCHEDULING /<br>PROGRESS REPORTING / ADMIN |                             | 8                           |                                        |                                        |                                      |           |        |    |        |    |    | 8  | \$             | 1,684.64  |    |          |           |
|                               |             | Subtotals (Hours) =                                    |                             | 8                           | 0                                      | 0                                      | 0                                    | 0         | 0      | 0  | 0      | 0  | 0  | 8  | \$             | 1,684.64  |    |          |           |
|                               |             | Subtotals (Costs) =                                    | \$0.00                      | \$                          | 1,684.64                               | \$                                     | -                                    | \$        | -      | \$ | -      | \$ | -  | \$ | -              | 8         | \$ | 1,684.64 |           |
| 2                             | Engineering | Field Survey                                           |                             |                             |                                        |                                        |                                      |           |        |    |        |    |    |    |                |           |    |          |           |
| 2.6                           | 0255        | MATERIAL TESTING                                       | \$                          | -                           | 72                                     | 0                                      | 0                                    |           |        |    |        |    |    | 72 | \$             | 11,816.64 |    |          |           |
|                               |             |                                                        |                             |                             |                                        |                                        |                                      |           |        |    |        |    |    | 0  | \$             | -         |    |          |           |
|                               |             | Subtotals (Hours) =                                    |                             | 0                           | 72                                     | 0                                      | 0                                    | 0         | 0      | 0  | 0      | 0  | 0  | 72 | \$             | 11,816.64 |    |          |           |
|                               |             | Subtotals (Costs) =                                    | \$                          | -                           | \$                                     | -                                      | \$                                   | 11,816.64 | \$     | -  | \$     | -  | \$ | -  | \$             | -         | 72 | \$       | 11,816.64 |
| Totals (Summary) =            |             |                                                        |                             |                             |                                        |                                        |                                      |           |        |    |        |    |    | 80 | \$             | 13,501.28 |    |          |           |
| Total (Hours) =               |             |                                                        |                             |                             |                                        |                                        |                                      |           |        |    |        |    |    | 80 |                |           |    |          |           |
| Total (Costs) =               |             |                                                        |                             |                             |                                        |                                        |                                      |           |        |    |        |    |    |    | \$             | 13,501.28 |    |          |           |
| Percentage of Total (Hours) = |             |                                                        |                             |                             |                                        |                                        |                                      |           |        |    |        |    |    |    |                | 90%       |    |          |           |
| Percentage of Total (Costs) = |             |                                                        |                             |                             |                                        |                                        |                                      |           |        |    |        |    |    |    |                | 100%      |    |          |           |

# Work Order Estimate Summary

Att. A, Item 11, 09/17/2026

Consultant/ Subconsultant: **S2 Engineering**

Work Order Title: **CM Services for America Plaza - Amendment No. 2**

CM Services for America Plaza - Am

TASKS/WBS (1-5)

| ODC Item | Description  | Unit | Unit Cost    | Task 1      |             | Task 2     |       | Task 3     |       | Task 4     |       | Task 5     |       |
|----------|--------------|------|--------------|-------------|-------------|------------|-------|------------|-------|------------|-------|------------|-------|
|          |              |      |              | Quantity    | Total       | Quantity   | Total | Quantity   | Total | Quantity   | Total | Quantity   | Total |
| 1        | VEHICLES     | LS   | \$ 1,200.00  | 1           | \$ 1,200.00 |            |       |            |       |            |       |            |       |
| 2        | Lab-Lump Sum | LS   | \$ 5,000.000 | 1           | \$ 5,000.00 |            |       |            |       |            |       |            |       |
| 3        |              |      |              |             |             |            |       |            |       |            |       |            |       |
| 4        |              |      |              |             |             |            |       |            |       |            |       |            |       |
| 5        |              |      |              |             |             |            |       |            |       |            |       |            |       |
| 6        |              |      |              |             |             |            |       |            |       |            |       |            |       |
| 7        |              |      |              |             |             |            |       |            |       |            |       |            |       |
| 8        |              |      |              |             |             |            |       |            |       |            |       |            |       |
| 9        |              |      |              |             |             |            |       |            |       |            |       |            |       |
| 10       |              |      |              |             |             |            |       |            |       |            |       |            |       |
|          |              |      |              | Subtotal =  |             | Subtotal = |       | Subtotal = |       | Subtotal = |       | Subtotal = |       |
|          |              |      |              | \$ 6,200.00 |             |            |       |            |       |            |       |            |       |

TASKS/WBS (6-10)

| ODC Item | Description      | Task 6     |       | Task 7     |       | Task 8     |       | Task 9     |       | Task 10    |       | Totals      |             |
|----------|------------------|------------|-------|------------|-------|------------|-------|------------|-------|------------|-------|-------------|-------------|
|          |                  | Quantity   | Total | Quantity   | Total | Quantity   | Total | Quantity   | Total | Quantity   | Total | Quantity    | Total       |
| 1        | MATERIAL TESTING |            |       |            |       |            |       |            |       |            |       | 1.0         | \$ 1,200.00 |
|          |                  | Subtotal = |       | Subtotal = |       | Subtotal = |       | Subtotal = |       | Subtotal = |       | Totals =    |             |
|          |                  |            |       |            |       |            |       |            |       |            |       | \$ 6,200.00 |             |



**Metropolitan  
Transit  
System**

September 17, 2026

MTS Doc. No. G2497.0-21  
Work Order No. WOA2497-CM04.03

Michael Albanese  
Vice President  
Jacobs Project Management Co.  
401 B St., Ste. 1560  
San Diego, CA 92101

Dear Mr. Albanese:

Subject: AMENDMENT NO. 3 TO WORK ORDER WOA2497-CM04 TO MTS DOC. NO. G2497.0-21,  
FOR CONSTRUCTION MANAGEMENT (CM) SERVICES FOR AMERICAN PLAZA PEDESTRIAN  
PLAN

This letter shall serve as Amendment No. 3 to our agreement for Work Order WOA2497-CM04 to MTS Doc. No. G2497.0-21, for Construction Management services under the Construction Management Consultant Agreement, as further described below.

#### SCOPE OF SERVICES

There shall be no change to the Scope of Services, as a result of this Amendment. This Amendment adds funds for the continued provision of construction management services.

#### SCHEDULE

There shall be no change the Schedule, as a result of this Amendment. The Schedule shall follow the contract for American Plaza Construction. The anticipated completion date of the services is September 30, 2026.

#### PAYMENT

As a result of this Amendment, the Payment shall be increased by \$49,910.72 (Attachment A). The revised Payment shall be based on actual costs in the amount of \$774,370.01. Payment shall not be exceeded without prior written authorization of MTS. Below is a summary amendments and subsequent revisions (if, any) to the Payment:

| Work Order No.  | Amount              |
|-----------------|---------------------|
| WOA2497-CM04    | \$575,591.29        |
| WOA2497-CM04.01 | \$0.00              |
| WOA2497-CM04.02 | \$148,868.00        |
| WOA2497-CM04.03 | \$49,910.72         |
|                 | <b>\$774,370.01</b> |



Please sign below, and return the document to the Contracts Specialist at MTS. All other terms and conditions shall remain the same and in effect.

Sincerely,

Accepted:

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Sharon Cooney  
Chief Executive Officer

---

Michael Albanese – Vice President  
Jacobs Project Management Co.

Date:

Attachments: A. Negotiated Fee Proposal

DRAFT

ATTACHMENT A  
NEGOTIATED FEE PROPOSAL

DRAFT

# Work Order Estimate Summary

Att. B, Item 11, 09/17/2026

|                |                 |
|----------------|-----------------|
| MTS Doc. No.   | G2497.0-21      |
| Work Order No. | WOA2497-CM04.03 |
| Attachment:    | B               |

Work Order Title: CM Services for America Plaza

Project No: W9Y36003

Table 1 - Cost Codes Summary (Costs & Hours)

| Item | Cost Codes | Cost Codes Description | Labor Hrs | Total Costs  |
|------|------------|------------------------|-----------|--------------|
| 1    | 0100       | ADMINISTRATION         | 208       | \$ 47,910.72 |
| 2    | 0255       | INSPECTION             |           | 1,560.00     |

Totals = 208 \$ 49,470.72

Table 2 - TASKS/WBS Summary (Costs & Hours)

| Item | TASKS/WBS   | TASKS/WBS Description | Labor Hrs | Total Costs  |
|------|-------------|-----------------------|-----------|--------------|
| 1.2  | ADMIN       | Construction Phase    | 208       | \$ 47,910.72 |
| 2.1  | ENGINEERING | Civil Inspection      |           | \$ 1,560.00  |

Totals = 208 \$ 49,470.72

Table 3 - Consultant/Subconsultant Summary (Costs & Hours)

| (If Applicable, Select One) |      |     |       | Consultant | Labor Hrs | Total Costs  |
|-----------------------------|------|-----|-------|------------|-----------|--------------|
| DBE                         | DVBE | SBE | Other |            |           |              |
|                             |      |     | X     | Jacobs     | 208       | \$ 49,470.72 |
|                             |      |     |       |            |           |              |
|                             |      |     |       |            |           |              |
|                             |      |     |       |            |           |              |
|                             |      |     |       |            |           |              |
|                             |      |     |       |            |           |              |

Totals = 208 \$ 49,470.72



Work Order Estimate  
Summary

Att. B, Item 11, 09/17/2026

|               |  |             |                                                         |  |                                 |  |
|---------------|--|-------------|---------------------------------------------------------|--|---------------------------------|--|
| Total Hours = |  | 208.00      | Consultant/Subconsultant: JACOBS PROJECT MANAGEMENT CO. |  | MTS Doc. No.: G2497.0-21        |  |
| Total Costs = |  | \$49,470.72 | Work Order Title: CM Services for America Plaza         |  | Work Order No.: WOA2497-CM04.03 |  |
|               |  |             |                                                         |  | Attachment: B                   |  |
|               |  |             |                                                         |  |                                 |  |
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**Metropolitan  
Transit  
System**

**DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 9/3/2026**

## **Agenda Item No. 12**

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

**September 17, 2026**

**SUBJECT:**

**Assessment Repair of Light Rail Vehicle (LRV) Couplers – Sole Source Award**

**RECOMMENDATION:**

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute Purchase Order 4500073989 (in substantially the same format Attachment A), with Dellner, Inc. (Dellner), for the assessment and repair of five (5) LRV Couplers, in the amount of \$193,055.65.

**Budget Impact**

The total cost of this contract is estimated to be \$193,055.65 (Attachment B). This project will be funded by the San Diego Trolley, Inc. (SDTI), LRV Maintenance Operations Budget account 350016-536100. The table below reflects the estimated costs for repairs:

| <b>Dellner Part Number</b>                                        | <b>MTS Part Number</b> | <b>Quantity</b> | <b>Lead Time</b> | <b>Price</b>        |
|-------------------------------------------------------------------|------------------------|-----------------|------------------|---------------------|
| 1007476-REP007                                                    | 70200627               | 1               | 52 weeks         | \$68,288.89         |
| 1036377-REP033                                                    | 70192518               | 1               | 52 weeks         | \$29,378.90*        |
| 1036377-REP033                                                    | 70192518               | 1               | 30 weeks         | \$13,551.83         |
| 1036377-REP033                                                    | 70192518               | 1               | 52 weeks         | \$41,975.33*        |
| 1036377-REP033                                                    | 70192518               | 1               | 35 weeks         | \$39,860.70*        |
| <i>*MTS selected Option 2 on Cost Proposal. See Attachment B.</i> |                        |                 | <b>TOTAL</b>     | <b>\$193,055.65</b> |

**DISCUSSION:**

Each LRV operated by MTS is equipped with automatic couplers. Automatic couplers connect the LRVs in each two or three car consist. These devices enable the instant connection of the rail vehicles without human intervention. The couplers are equipped with devices that absorb kinetic energy during daily operation of rail vehicles, during coupling, and in the event of a collision.



Today's proposed action would authorize repairs of five (5) LRV couplers that were severely damaged in various auto collisions at grade crossings throughout the system. The couplers are considered structural components of the rail car.

Due to the extent of the damage, MTS was required to remove the impacted LRV from service to undergo evaluation and repair. While MTS regularly makes minor repairs to couplers, the damage to these units far exceeds what MTS is equipped to perform in-house. MTS does not have the training, tooling or necessary engineering resources needed to disassemble and evaluate the scope of damage to these couplers. Therefore, it is proposed that the five (5) damaged couplers be repaired by Dellner, the Original Equipment Manufacturer (OEM) of LRV couplers. Due to Dellner being the OEM, drawings and specifications of couplers and their components are proprietary information. A sole source contract with Dellner is necessary for these repairs because Dellner is the only firm that can inspect, test, and evaluate repairs needed to return the trucks to safe, operating OEM standards.

MTS staff reviewed parts and drawings and has determined that reverse engineering and pursuing custom fabrication of parts is not a feasible option. First, doing so would delay repairs. Furthermore, due to the nature of these parts, any material sourced outside of the approved OEM parts would need to go through safety certification. Therefore, any components identified as needing replacement should be completed by Dellner to minimize potential safety risks.

Following MTS's standard procedure for this type of coupler damage, the damaged couplers were evaluated by Dellner, and quotes were provided to MTS on the needed repairs. (See Attachment B.) Today's proposed action would issue a sole source Purchase Order 4500073989 (Attachment A) to Dellner to inspect and evaluate this equipment and make necessary repairs to return the couplers to serviceable condition, as they are the vendor able to perform the requisite services.

To determine if this proposal is fair and reasonable, staff compared the proposed quotes from Dellner to the pricing from the last repairs the vendor performed in 2024 and 2025. Based on this review, staff deems Dellner's proposal to be fair and reasonable.

Therefore, staff recommends the MTS Board of Directors authorize the CEO to execute Purchase Order 4500073989 (in substantially the same format Attachment A), with Dellner, for the assessment and repair of five (5) LRV Couplers, in the amount of \$193,055.65.

/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 Purchase Order 4500073989  
B. Cost Proposal



San Diego Metropolitan Transit System (MTS)  
1255 Imperial Ave., Suite 1000  
San Diego, CA 92101  
Telephone:619-231-1466

Att. A, Item 12, 09/17/2026  
Page 1 of 7  
08/17/2026 15:33:47

## PURCHASE ORDER 4500073989

A packing slip should always be attached to the shipment (if any) and it should reference the MTS Purchase Order number . All invoices must be sent to the "Bill To" address noted below.

|                                                                     |
|---------------------------------------------------------------------|
| <b>Vendor</b>                                                       |
| Dellner Inc<br>4016 Shutterfly Road, Ste. 100<br>Charlotte NC 28217 |

|                           |                                 |
|---------------------------|---------------------------------|
| <b>Information</b>        |                                 |
| <b>Purchase Order No.</b> | 4500073989                      |
| <b>Date</b>               | 03/05/2026                      |
| <b>Vendor No.</b>         | 300146                          |
| <b>Currency</b>           | USD                             |
| <b>E-Mail</b>             | <b>don.hill@sdmts.com</b>       |
| <b>Buyer</b>              | Don Hill                        |
| <b>Buyer Phone No.</b>    | 619-557-4552                    |
| <b>Delivery Date</b>      | 03/12/2027                      |
| <b>Terms of payment</b>   | Net due in 30 days              |
| <b>Incoterms</b>          | FOB(Free on board) /Destination |

|                                                                                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>BILL-TO</b>                                                                                                                                   |
| San Diego Metropolitan Transit System<br>Attn: Accounts Payable<br>1255 Imperial Ave., Suite 1000<br>San Diego, CA 92101<br>E-mail: AP@sdmts.com |

**Please send an email to the Buyer noted under the Information box above to acknowledge receipt of this order and to confirm the estimated delivery date.**

Ship-To Address:  
SDMTS  
Building B  
1341 Commercial St  
San Diego CA 92113

\*\*\* Text changed \*\*\*

05/21/2026 (Don): Final Evaluations have been completed for Lines 1-4. See attached email from the Vendor on Repair Cost Options. MTS will be moving forward with Option 2.

Item is covered under attached Sole Source Memorandum.

The Following Automatic Couplers are being sent to DELLNER for Evaluation/Repair on the listed RMA's.

Line 1 s/n = 033 - RMA CA260302-TCS-01 - SD8 Coupler  
Line 2 s/n = 030 - RMA CA260302-TCS-02 - SD8 Coupler  
Line 3 s/n = 091 - RMA CA260302-TCS-03 - SD8 Coupler  
Line 4 s/n = 112 - RMA CA260302-TCS-04 - SD8 Coupler  
Line 5 s/n = 007 - RMA CA260302-TCS-05 - SD7 Coupler

| Item | Material/Description                                                                                                                                                              | Quantity | UM | Unit Price     | Net Amount |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----|----------------|------------|
| 1    | 70192518<br>Coupler Automatic, SD8<br>Your material number: 1036377<br>Shipping Instructions: FOB Shipr<br>We supply the following components:<br>70192518 Coupler Automatic, SD8 | 1.00     | EA | 29,378.90 / EA | 29,378.90  |

Contractor shall furnish the above goods and/or services in accordance with the attached PO Terms and Conditions. Prices are F.O.B. destination, unless specifically excepted in writing above.



San Diego Metropolitan Transit System (MTS)  
 1255 Imperial Ave., Suite 1000  
 San Diego, CA 92101  
 Telephone: 619-231-1466

## PURCHASE ORDER 4500073989

PO number/date 4500073989 / 03/05/2026

| Item | Material/Description                                                                                                                                                                                              | Quantity | UM | Unit Price     | Net Amount |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----|----------------|------------|
|      | Manufacture Part No.: 1036377<br>Manufacturer 300146 - Dellner Inc                                                                                                                                                |          |    |                |            |
| 2    | 70192518<br>Coupler Automatic, SD8<br>Your material number: 1036377<br><a href="#">Shipping Instructions: FOB Shipr</a><br><a href="#">We supply the following components:</a><br>70192518 Coupler Automatic, SD8 | 1.00     | EA | 13,551.83 / EA | 13,551.83  |
|      | Manufacture Part No.: 1036377<br>Manufacturer 300146 - Dellner Inc                                                                                                                                                |          |    |                |            |
| 3    | 70192518<br>Coupler Automatic, SD8<br>Your material number: 1036377<br><a href="#">Shipping Instructions: FOB Shipr</a><br><a href="#">We supply the following components:</a><br>70192518 Coupler Automatic, SD8 | 1.00     | EA | 41,975.33 / EA | 41,975.33  |
|      | Manufacture Part No.: 1036377<br>Manufacturer 300146 - Dellner Inc                                                                                                                                                |          |    |                |            |
| 4    | 70192518<br>Coupler Automatic, SD8<br>Your material number: 1036377<br><a href="#">Shipping Instructions: FOB Shipr</a><br><a href="#">We supply the following components:</a><br>70192518 Coupler Automatic, SD8 | 1.00     | EA | 39,860.70 / EA | 39,860.70  |
|      | Manufacture Part No.: 1036377<br>Manufacturer 300146 - Dellner Inc                                                                                                                                                |          |    |                |            |
| 5    | 70200627<br>Coupler, completed SD7<br>Your material number: 1008603<br><a href="#">We supply the following components:</a><br>70200627 Coupler, completed SD7                                                     | 1.00     | EA | 68,288.89 / EA | 68,288.89  |
|      | Manufacture Part No.: 1007476<br>Manufacturer 300146 - Dellner Inc                                                                                                                                                |          |    |                |            |

Text from ZPO\_SUPPL\_NOTE.



San Diego Metropolitan Transit System (MTS)  
1255 Imperial Ave., Suite 1000  
San Diego, CA 92101  
Telephone:619-231-1466

**PURCHASE ORDER 4500073989**

**PO number/date** 4500073989 / 03/05/2026

|                            |  |                   |
|----------------------------|--|-------------------|
| <b>Total Excluding Tax</b> |  | <b>193,055.65</b> |
| <b>Sales Tax</b>           |  | <b>5,292.38</b>   |
| <b>Total Amount</b>        |  | <b>198,348.03</b> |

Text from ZPO\_SUPPL\_NOTE.

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
PURCHASE ORDER TERMS AND CONDITIONS - GOODS**

1. **Definition and Acceptance of Terms:** MTS shall collectively mean San Diego Metropolitan Transit System (MTS), San Diego Transit Corporation (SDTC), and San Diego Trolley, Inc. (SDTI). Contractor shall mean the person and/or company from whom the merchandise, goods, equipment (hereinafter "goods") are ordered as shown on the face hereof. This Purchase Order constitutes an offer by MTS to Contractor upon the terms and conditions stated herein and shall become a binding contract upon acceptance thereof either by acknowledgement or performance.

2. **Entire Agreement:** This agreement, which includes the Purchase Order, applicable terms and conditions, specifications, scope and any other included attachments, constitutes the entire agreement and understanding between MTS and Contractor. Any amendments to this agreement must be in writing and executed by both parties.

3. **Pricing:** The total price herein specified shall include all taxes which either party is required to pay with respect to the sale and delivery of the goods covered by this Agreement, including sales and use taxes, and shall include all charges for customs duties, freight charges and shipping unless specifically excluded. MTS is exempt from Federal Excise and Transportation Taxes. On out-of-state purchases, the Contractor must show their Use Tax Permit Number issued by the California State Board of Equalization, which authorizes them to charge and collect California sales tax. Fuel surcharges or charges for cartage, pallets, boxing or packaging shall not be allowed unless disclosed at the time the Contractor submits a response to a solicitation or a request for quote.

4. **Payment:** MTS will pay Contractor only upon satisfactory delivery or receipt of goods. MTS will review each payment request as soon as practicable after receipt. If any payment request is determined to be unsuitable for payment, MTS shall notify Contractor as soon as practicable. MTS shall not pay any interest charges for late payments of invoices unless permitted by law.

5. **Delivery:** Timely performance and deliveries are essential to this order. Contractor must immediately advise MTS if there is any delay or shortage in shipment or of a partial shipment and date full shipment will be delivered. All goods described herein must be delivered within the time specified on this Purchase Order, or the revised delivery schedule approved by MTS in writing. Delivery shall be made between 8:00 a.m. and 4:00 p.m. local time on weekdays unless otherwise agreed to by MTS. Unless otherwise specified herein, all goods acquired under this Purchase Order are sold F.O.B. location specified by MTS. An original copy of the freight bill must be attached to the invoice. Contractor is not authorized to ship the goods under a reservation and no tender of a bill of lading shall operate as a tender of the goods. COD shipments are expressly prohibited. Shipment in greater or lesser quantity than ordered may be returned at Contractor's expense unless authorized by MTS.

6. **Excusable Delays/Force Majeure:** Contractor will not be liable for delays in performing its obligations to the extent the delay is caused by an unforeseeable condition, which is beyond Contractor's reasonable control, without Contractor's fault or negligence. Acts of God, such as storms or floods, as well as government priorities, acts of civil or military authorities, fires, strikes, epidemics, war or riot, are examples of events which will be excusable for being beyond Contractor's reasonable control only upon fulfillment of the following conditions: (a) within seven (7) calendar days of the commencement of any excusable delay, Contractor shall provide MTS with written notice of the cause and extent thereof, as well as request for a schedule extension for the estimated duration thereof; and (b) within seven (7) calendar days of the cessation of the event causing delay, Contractor shall provide MTS with written notice of the actual delay incurred, upon receipt of which the date of promised delivery shall be extended for the time actually lost by reason of an excusable delay.

7. **Inspection, Acceptance or Rejection of Goods:** Inspections and acceptance or rejection of the goods will be at the delivery location unless otherwise specified. MTS will inspect the goods and either accept or reject them within 30 calendar days from the date of delivery. If any specified inspection or testing is required to determine if the goods meets the specifications, Contractor shall perform or shall have performed such inspections and tests at Contractor's sole cost prior to the delivery of such goods to MTS. Any goods received damaged or not in accordance with the instructions or specifications on the Purchase Order will be rejected and returned to Contractor at Contractor's risk and expense. MTS will notify the Contractor in writing stating the reason(s) why the goods are deemed damaged or non-conforming. Contractor will have 10 business days or an otherwise agreed upon date to deliver conforming goods. MTS will hold the damaged or non-conforming goods for a reasonable time not to exceed 30 calendar days and Contractor must remove the rejected goods at Contractor's sole cost and expense.

8. **Risk of Loss:** Contractor will bear all costs, loss or damage and assume all risk and liability associated with manufacture or delivery of the goods regardless of the cause thereof until MTS accepts their delivery.

9. **Material Safety Data Sheet (MSDS):** It is mandatory for Contractor to supply an MSDS with the shipment of any goods that contains any hazardous material. At any time the content of an MSDS is revised, Contractor is required to provide the new information relevant to the specific hazardous material to MTS.

10. **Audit/Inspection of Records:** The Contractor and any Subcontractor shall retain complete and readily accessible records related in whole or in part to the Purchase Order, including, but not limited to, data, documents, reports, statistics, sub-agreements, leases, subcontracts, arrangements, other third party agreements of any type and supporting materials related to those records. The Contractor agrees to comply with the record retention requirements in accordance with 2 C.F.R. § 200.333. The Contractor shall maintain all books, records, accounts and reports required under this Purchase Order for a period of at not less than three (3) years after the date of termination or expiration of this Contract, except in the event of litigation or settlement of claims arising from the performance of this Contract, in which case records shall be maintained until the disposition of all such litigation, appeals, claims or exceptions related thereto. Contractor shall provide sufficient access to the U.S. Secretary of Transportation, Comptroller General of the U.S., FTA, DOT Office of Inspector General, the State, MTS or any of their authorized representatives to inspect and audit records pertaining to the performance of this Purchase Order as reasonably may be required. The Contractor agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by FTA.

11. **Prompt Progress Payments and Retention:** Contractor or Subcontractor shall pay any Subcontractor no later than seven (7) business days from the receipt of each progress payment from MTS. No retainage will be held by MTS from progress payments due to the Contractor. Any retainage kept by a Subcontractor must be paid in full to the Subcontractor in seven (7) business days after the Subcontractor's work is satisfactorily completed. Any delay or postponement of a progress payment or retainage to the Subcontractor over 30 calendar days may take place only for good cause and with MTS's prior written approval. Failure to comply with this provision will constitute noncompliance, which may result in the application of legal and contract remedies, including, but not limited to, a penalty of two percent (2%) of the invoice amount due for every invoice that full payment is not made. This requirement shall not be construed to limit or impair any contractual, administrative or judicial remedies otherwise available to the Contractor or Subcontractor in the event of a dispute involving late or nonpayment by the Contractor, deficient Subcontractor performance or noncompliance by a Subcontractor. Prime Contractor must submit the MTS Prompt Payment Certification Form to the MTS Contracts Administrator if any Subcontractors. The form is available for download at <https://www.sdmmts.com/business-center/procurement>. The form certifies that all Subcontractors were paid within seven (7) business days of receiving payment from MTS for work performed during the previous month. The Prime Contractor must submit the completed certification, as required on the form, and the month following final acceptance of the project. In addition, seven (7) business day prompt payment requirement prevails over contract language between a Prime Contractor and a Subcontractor.

12. **Changes:** MTS may at any time by written order make changes within the general scope of this Purchase Order in any of the following ways: 1) drawings, designs or specifications; 2) method of shipping or packing; 3) place of delivery; or 4) delivery schedule. Should any such change increase or decrease the cost or time required for performance of this Purchase Order, proper adjustments shall be made in price and/or delivery schedule as the case may be. The Contractor must assert its right to an adjustment under this clause within 30 calendar days from the date of receipt of the written order. If the Contractor requests a change to the Purchase Order, the change must be authorized by MTS in writing and the Contractor must provide notice to MTS prior to the time Contractor shall have delivered the goods if based on an act or failure to act by MTS or in all other cases within 15 calendar days after the happening of the event, thing, occurrence or other cause giving rise to the potential change.

13. **Termination for Convenience:** Performance under this agreement may be terminated by MTS in accordance with this clause in whole or, from time-to-time, in part, whenever MTS shall elect. Any such termination shall be effected by delivery to Contractor of a Notice of Termination specifying the extent to which performance under this agreement is terminated, and the date upon which such termination becomes effective. Upon receipt of any such notice, Contractor shall, unless the notice requires otherwise: (1) immediately discontinue performance on the date and to the extent specified in the notice; (2) place no further orders for materials other than as may be necessarily required for completion of such portion of the agreement that is not terminated; (3) promptly make every reasonable effort to either obtain cancellation or terms satisfactory to MTS of all orders to Contractor's suppliers to the extent they relate to the performance of that portion terminated, or upon MTS concurrence assign to MTS those orders; and (4) assist MTS, upon request, in the maintenance, protection and disposition of property acquired by MTS under this agreement. If claimed in writing within 30 calendar days after Notice of Termination, MTS will pay to Contractor an equitable adjustment to include (without duplication of any item): (1) all amounts due and not previously paid to Contractor for goods completed in accordance with this agreement prior to such notice; (2) a reasonable amount for any goods and materials then in production; provided that no such adjustment be made in favor of Contractor with respect to any goods which are Contractor's standard stock; (3) costs of settling and paying supplier's claim arising out of the canceled orders; and (4) a reasonable profit for costs incurred in the performance of that portion terminated; provided, however, that if it appears that Contractor would have sustained a loss on the entire agreement had it been completed, no profit shall be included. The total sum to be paid to Contractor under this clause, shall not exceed the total order price as reduced by the amount of payments otherwise made, and as further reduced by the order price of that portion not terminated, and will not include any consideration for loss of anticipated profits on the terminated portion all claims for which seller agrees to waive.

14. **Termination for Default:** In case of Contractor breach or failure to perform, MTS reserves the right to terminate the Purchase Order for default. MTS may award the contract to the next lowest responsive, responsible bidder, solicit new bids or pursue any other remedy authorized by law. In addition to any remedy authorized by law, money due to the Contractor under and by virtue of purchase order, as shall be considered necessary by MTS, may be retained by MTS until disposition has been made of such suits or claims for damages. The retention of money due to the Contractor shall be subject to the following: 1) MTS will give the Contractor 10 business days' notice of its intention to retain funds from any partial payment which may become due to the Contractor prior to acceptance by MTS of the purchase order. Retention of funds from any payment made after acceptance may be made without such prior notice to the Contractor; 2) No retention of additional amounts out of partial payments will be made if the amount to be retained does not exceed the amount being withheld from partial payments; and 3) If MTS has retained funds, and it is subsequently determined that MTS is not entitled to be indemnified and saved harmless by the Contractor in connection with the matter for which such retention was made, MTS shall be liable for interest earned on the amount retained for the period of such retention. MTS may terminate the purchase order by serving a notice of termination on the Contractor. Notice shall set forth the manner in which the Contractor is in default and provide the Contractor with 10 business days' time to cure the default to the satisfaction of MTS. This cure period may be adjusted if the parties so agree in writing. If MTS determines after the cure period that the default is not cured, MTS will issue a "show cause" letter to the Contractor requesting from the Contractor reasons why this purchase order should not be terminated. If MTS does not find that the Contractor has demonstrated sufficient reason for its failure to cure, the purchase order shall be deemed terminated. The Contractor shall only be paid the Purchase Order price for goods received and accepted in accordance with the manner set forth in the purchase order. If MTS determines that the Contractor had an excusable reason for not performing such as a strike, fire, flood or other events which are not the fault of or beyond the control of the Contractor, MTS may allow the Contractor to continue work or terminate the purchase order for convenience.

15. **Insurance:** Contractor will include the Purchase Order/contract number on all insurance-related correspondence, i.e., the insurance certificate itself.

All policies required shall be issued by companies who are licensed or approved to do business in the State of California and hold a current policy holder's alphabetic and financial-size category rating of not less than A-VI, in accordance with A.M. Best. MTS utilizes the services of a third party insurance monitoring company. As a condition of contract award, Contractor shall submit any required insurance policies to the third party monitoring company of MTS's choosing.

**A. COVERAGE REQUIRED - ALL CONTRACTS:** (1) **Liability:** (a) **Commercial General Liability:** At all times during this contract and, with respect to Products and Completed Operations Liability, for twelve (12) months following the acceptance of the work by MTS, Contractor agrees to maintain Commercial General Liability Insurance utilizing Insurance Services Office (ISO) coverage form CG0001, edition date 10/01 or later, or an equivalent form and with insurance companies acceptable to MTS. The coverage shall contain no restricting or exclusionary endorsements with respect to the performing of services described in the scope of work. All such policies shall name in the endorsement San Diego Metropolitan Transit System (MTS), San Diego Trolley, Inc. (SDTI), San Diego and Arizona Eastern Railway (SD&AE), San Diego and Imperial Valley Railroad (SD&IV), and San Diego Transit Corporation (SDTC), their directors, officers, agents, and employees as additional insureds as their interests may appear. (b) **Automobile Liability:** At all times during this contract, Contractor agrees to maintain Automobile Liability Insurance for bodily injury and property damage including coverage for all owned, nonowned, and hired vehicles. (c) **Workers' Compensation/ Employer Liability:** At all times during this contract, Contractor agrees to maintain Workers' Compensation and Employers' Liability Insurance in compliance with the applicable statutory requirements. Contractor waives any rights of subrogation against MTS, SDTI, SD&AE, SD&IV, and SDTC, and the policy form must permit and accept such waiver.

**B. ADDITIONAL COVERAGES MAY BE REQUESTED BY MTS BASED ON PROJECT PURCHASE REQUIREMENTS.**

16. **Indemnification:** As between MTS and Contractor, Contractor is deemed to assume responsibility and liability for, and Contractor shall defend, indemnify and hold harmless, MTS, SD&AE, SD&IV and any



and all of its directors, officers, agents or employees from and against any and all claims, loss, damage, charge, or expense, whether direct or indirect, which MTS, SD&AE, SD&IV or such directors, officers, agents or employees may be put or subjected, by reason of any damage, loss, or injury of any kind or nature whatever to persons or property caused by or resulting from or in connection with any negligent act or action, or any neglect, omission, or failure to act when under a duty to act on the part of Contractor or any of its officers, agents, servants, employees or Subcontractors in its or their performance under this Agreement. In addition to any other remedy authorized by law, so much of the money due Contractor under this Agreement as shall be considered necessary by MTS may be retained until disposition has been made of any claim for damages.

17. Warranties: By accepting this offer, Contractor warrants that: 1) all goods delivered under this Purchase Order will be "merchantable" as defined in Section 2-314 of the Uniform Commercial Code and free from defects in materials and workmanship (including damage due to unsatisfactory packaging by Contractor); 2) the goods will be manufactured and delivered strictly in accordance with MTS's specifications, drawings, and approved sample, if any; and 3) the goods will be free from defects in design. Contractor agrees that the goods furnished under this Purchase Order will be covered by the most favorable commercial warranties the Contractor gives to any customer for the same goods. Contractor also warrants and agrees that title to all goods furnished under this Purchase Order and accepted by MTS will pass to MTS free and clear of all liens, claims, security interests or encumbrances. MTS's rights and remedies as set out herein are in addition to and not limited by any rights MTS may have under any other term of this Purchase Order or provision of law.

18. Governing Law: Contractors quote, the resulting Purchase Order and the work performed under it shall be governed by these Terms and Conditions and the laws of the State of California. Contractor warrants that in the performance of this agreement it shall comply with all applicable federal, state and local laws, ordinances, orders, rules and regulations thereunder. Any action or proceeding to enforce or relating to this Agreement shall be brought exclusively in the courts located in San Diego County, California.

19. Disputes Claims and Resolution: MTS and the Contractor agree that every effort shall be made to resolve any dispute arising under this Agreement informally through their designated representatives. If the informal efforts are unsuccessful, then either party may request mediation by submitting a written request signed by an officer with the authority to bind the Contractor or MTS. Within five (5) business days of the request of any party, the parties shall mutually agree on the person or alternative dispute resolution agency to conduct the mediation. If the parties are unable to agree on the person or alternative dispute resolution agency to conduct the mediation, the initiating party may arrange for the office of the American Arbitration Association in downtown San Diego, California, to perform the mediation. The initiating party shall then schedule the mediation so that it is conducted within 15 business days of the mediator's appointment. The costs of the mediation and fees of the mediator, if any, shall be borne by the requesting party. Any dispute not resolved through the mediation may proceed to litigation in a court of competent jurisdiction in the County of San Diego, State of California, unless the parties agree in writing to submit the dispute to binding arbitration. Should the Contractor suffer any injury or damage to person or property because of any alleged act or omission of MTS, or if any of Contractor's employees, agents, or others for whose acts the Contractor is legally liable suffers any injury or damages to person or property because of any alleged act or omission of MTS, a written claim for damages shall be filed with the MTS Office of General Counsel in accordance with the provisions of Cal. Gov. Code, 900 et seq. The duties and obligations imposed by this Agreement and the rights and remedies available hereunder shall be in addition to and not a limitation of any duties, obligations, rights, and remedies otherwise imposed or available by law. No action or failure to act by MTS or Contractor shall constitute a waiver of any right or duty afforded any of them under this Agreement, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder except as may be specifically agreed to in writing. Should litigation be necessary to enforce any term or provision of this Agreement, or to collect any portion of the amount payable under this Agreement, then all litigation and collection expenses, witness fees, court costs, and attorney's fees shall be paid to the prevailing party.

20. Survival: Notwithstanding MTS's acceptance of the services and payment thereof, Contractor shall remain obligated under all clauses of this Purchase Order which expressly, or by their nature, extend beyond and survive such acceptance and payment.

21. Severability: If any term, provision, or condition of this Purchase Order is held to be invalid, void or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby, and each term, provision, or condition of this Purchase Order shall be valid and enforceable to the fullest extent permitted by law.

22. Independent Contractor: In the performance of any delivery of goods to be provided hereunder, Contractor's relationship to MTS shall be that of an independent Contractor and not an employee, agent or other representative of MTS.

23. Assignments: Any attempt by Contractor to assign, subcontract, or transfer all or part of this Agreement shall be void and unenforceable without MTS' prior written consent; which consent shall not be unreasonably withheld. Any such consent shall not relieve Contractor from full and direct responsibility for all services performed prior to the date of assigning, subcontracting, or transferring this Agreement. In the event of an authorized assignment by MTS or applicable law, all terms, conditions, and provisions of this contract shall apply to and bind the respective heirs, executors, administrators, successors, and assigns of the parties.

24. No provisions of the Purchase Order shall in any way inure to the benefit of any third party, including the public at large, so as to constitute such person a third-party beneficiary of the Purchase Order or of any one or more of the terms and conditions of the Purchase Order or otherwise give rise to any cause of action in any person not a party to the Purchase Order, except as expressly provided elsewhere in the Purchase Order.

25. Contractor agrees to bind every subcontractor to the terms of the Agreement as far as such terms are applicable to subcontractor's portion of the Work. Contractor shall be as fully responsible to MTS for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by its subcontractors, as Contractor is for acts and omissions of persons directly employed by Contractor. Nothing contained in this Agreement shall create any contractual relationship between any subcontractor and MTS. MTS reserves the right to approve all subcontractors. MTS's approval of any subcontractor under this Agreement shall not in any way relieve Contractor of its obligations under this Agreement.

26. Equal Employment Opportunity Program: A. MTS's Equal Employment Opportunity Program. MTS is an Equal Opportunity Employer. As such, MTS agrees to comply with all applicable Federal civil rights laws and implementing regulations. Apart from inconsistent requirements imposed by Federal laws or regulations, MTS agrees to comply with the requirements of 49 U.S.C. § 5323(h) (3) by not using any Federal assistance awarded by FTA to support procurements using exclusionary or discriminatory specifications. MTS# Equal Employment Opportunity Program for Contractors, MTS Policy No. 25, is part of this Agreement (a copy can be obtained from MTS' Clerk of the Board). B. Contractor's Equal Employment Opportunity Plan. Each Contractor who provides MTS labor, equipment, materials and services of \$50,000 or more per year with fifty (50) or more employees shall have, maintain, and submit an Equal Employment Opportunity Plan to the Director of Human Resources and Labor Relations for MTS each year of the contract, and a Workforce Utilization Report on or before January 1 and July 1 for each year of the contract. The objective of this plan is to assure that the Contractor will not discriminate against any employee or applicant for employment because of race, color, national origin, sex, sexual orientation, gender identity, religion, disability, age or status as a parent. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. C. Regulations. Contractor shall comply with Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e et seq.; Facilitate compliance with Executive Order No. 11246, "Equal Employment Opportunity" September 24, 1965, 42 U.S.C. § 2000e note, as amended by any later Executive Order that amends or supersedes it in part and is applicable to federal assistance programs; Comply with federal transit law, specifically 49 U.S.C. § 5332; FTA Circular 4704.1 "Equal Employment Opportunity (EEO) Requirements and Guidelines for Federal Transit Administration Recipients,;" and Follow any other federal guidance pertaining to EEO laws, regulations, and requirements, and prohibitions against discrimination.

FEDERAL CLAUSES - The following clauses apply only for Purchase Orders over \$3,500 that are assisted with Federal Funds unless otherwise stated.

27. Incorporation of Federal Transit Administration (FTA) Terms: The preceding provisions include, in part, certain Standard Terms and Conditions required by the U.S. Department of Transportation (DOT), whether or not expressly set forth in the preceding contract provisions. All provisions required by DOT, as set forth in FTA Circular 4220.1F, are hereby incorporated by reference. Notwithstanding, all FTA mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this Agreement. The Contractor shall not perform any act, fail to perform any act, or refuse to comply with any MTS requests which would cause MTS to be in violation of the FTA terms and conditions.

28. Federal Changes: The Contractor shall at all times comply with all applicable FTA regulations, policies, procedures and directives, including without limitation those listed directly or by reference in the FTA Master Agreement between MTS and FTA, as they may be amended or promulgated from time to time during the term of this purchase order. Contractor shall also ensure compliance by subcontractors at any tier of any applicable change to federal requirements.

29. No Federal Government Obligations to Third Parties: Notwithstanding any concurrence by the Federal Government in or approval of the solicitation or award of the underlying Contract, absent the express written consent by the Federal Government, the federal government shall not be subject to any obligations or liabilities to any third-party Contractor, or any other person not a party to the Grant Agreement or Cooperative Agreement in connection with the performance of this purchase order. Notwithstanding any concurrence provided by the federal government in or approval of any solicitation, subagreement, or third-party purchase order, the federal government continues to have no obligations or liabilities to any party, including the third-party Contractor. The Contractor agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by FTA.

30. Program Fraud or False or Fraudulent Statements and Related Acts: The Contractor acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. Section 3801, et seq., and DOT regulations, "Program Fraud Civil Remedies," 49 C.F.R., Part 31, apply to its actions pertaining to this purchase order. Upon execution of the underlying Purchase Order, the Contractor certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, or it may make pertaining to the underlying purchase order or the FTA assisted project for which this Purchase Order work is being performed. In addition to other penalties that may be applicable, the Contractor further acknowledges that if it makes a false, fictitious, or fraudulent claim, statement, submission, or certification, the federal government under a purchase order connected with a project that is financed in whole or in part with Federal assistance originally awarded by FTA under the authority of 49 U.S.C. chapter 53, reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986, as amended, on the Contractor to the extent the federal government deems appropriate. The Contractor also acknowledges that if it makes a false, fictitious, or fraudulent claim, statement, submission, or certification to the federal government in connection with an urbanized area formula project financed with federal assistance authorized by 49 U.S.C., Section 5307, the government reserves the right to impose on the Contractor the penalties of 18 U.S.C., Section 1001 and 49 U.S.C., Section 5307(n)(1), to the extent the federal government deems appropriate. The Contractor agrees to include this provision in each subcontract financed in whole or in part with Federal assistance from the FTA.

False Claims Act (APPLICABLE TO ALL CONTRACTS AND SUBCONTRACTS)

The Contractor and any Subcontractor acknowledges that the False Claims Act, 31 U.S.C. 3729 et seq., pertains to the underlying contract or the FTA assisted project for which this contract work is performed. If the Contractor has knowledge of potential fraud, waste, or abuse occurring on a Project receiving assistance from FTA, or has or may have committed a criminal or civil violation of law pertaining to such matters as fraud, conflict of interest, bid rigging, misappropriation or embezzlement, bribery, gratuity, or similar misconduct involving federal assistance, the Contractor must notify MTS, U.S. DOT Inspector General, and the FTA Chief Counsel or FTA Region 9 Counsel. Knowledge, as used in this paragraph, includes, but is not limited to, knowledge of a criminal or civil investigation by a Federal, state, or local law enforcement or other investigative agency, a criminal indictment or civil complaint, or probable cause that could support a criminal indictment, or any other credible information in the possession of the Recipient. In this paragraph, "promptly" means to refer information without delay and without change. The Contractor agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by FTA.

Notice to FTA on Legal Matters (APPLICABLE TO ALL CONTRACTS AND SUBCONTRACTS EXCEEDING \$25,000)

The Contractor and any Subcontractor shall notify MTS and the FTA Chief Counsel or FTA Region 9 Counsel if a current or prospective legal matter that may affect the Federal Government emerges. The types of legal matters that require notification include, but are not limited to, a major dispute, breach, default, litigation, or naming the Federal Government as a party to litigation or a legal disagreement in any forum for any reason. Matters that may affect the Federal Government include, but are not limited to, the Federal Government's interests in an award of federal funding, or the Federal Government's administration or enforcement of federal laws, regulations, and requirements. The Contractor agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by FTA.

31. Fly America: The Contractor agrees to comply with 49 U.S.C. 40118 (the Fly America Act) in accordance with the General Services Administration's regulations at 41 CFR Part 301-10, which provide that



recipients of Federal funds and their Contractors are required to use U.S. Flag air carriers for U.S. Government-financed international air travel and transportation of their personal effects or property, to the extent such service is available. The Contractor shall submit, if a foreign air carrier was used, an appropriate certification or memorandum adequately explaining why service by a U.S. flag air carrier was not available or why it was necessary to use a foreign air carrier and shall, in any event, provide a certificate of compliance with the Fly America requirements. The Contractor agrees to include the requirements of this section in all subcontracts that may involve international air transportation.

32. Cargo Preference : (Applicable to all purchase orders for goods which may be transported by ocean vessels) 46 U.S.C. 55305 and 46 C.F.R. Part 381 which imposes U.S. cargo preference requirements on the shipment of foreign made goods shall apply to this procurement. The Contractor shall utilize privately owned U.S.-Flag commercial vessels to ship at least 50 percent of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners, and tankers) involved, whenever shipping any equipment, material, or commodities pursuant to the underlying purchase order to the extent such vessels are available at fair and reasonable rates for U.S.-Flag commercial vessels. The Contractor shall furnish within 20 working days following the date of loading for shipments originating within the U.S. or within 30 working days following the date of loading for shipments originating outside the U.S., a legible copy of a rated, "on-board" commercial ocean bill-of-lading in English for each shipment of cargo described in the preceding paragraph to the Division of National Cargo, Office of Market Development, Maritime Administration, 400 Seventh Street, S.W., Washington, DC 20590, and to MTS (through the Contractor in the case of a Subcontractor's bill-of-lading,) marked with the appropriate identification. The Contractor shall include these requirements in all subcontracts issued pursuant to this purchase order when the subcontract may involve the transport of equipment, material, or commodities by ocean vessel.

33. Energy Conservation: The Contractor and any Subcontractor agree to comply with mandatory energy efficiency standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act, 42 U.S.C. §§ 6321 et seq and 49 C.F.R. part 622, subpart C.

34. Recycled Products Requirements: (Applicable to all goods purchase orders involving items designated by the EPA, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000) The Contractor and any Subcontractor agrees to provide a preference for those products and services that conserve natural resources, protect the environment, and are energy efficient by complying with and facilitating compliance with Section 6002 of the State Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 U.S.C. § 6962, and U.S. Environmental Protection Agency (U.S. EPA), #Comprehensive Procurement Guideline for Products Containing Recovered Materials, # 40 C.F.R. part 247. The requirements of Section 6002 include procuring only items designated in guidelines of the U.S. EPA at 40 C.F.R. part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

35. Disadvantaged Business Enterprise (DBE) Participation: This project is subject to Title 49, Code of Federal Regulations part 26 (49 CFR Part 26), entitled "Participation by DBEs in DOT Financial Assistance Programs." MTS's DBE program has an aspirational goal of 6.3% participation by certified DBE's over FFY 2022-2024 (October 1, 2021 - September 30, 2024). There is no specific DBE goal for this project. In order to help MTS achieve its federally mandated overall DBE goal, MTS encourages the participation of DBEs as defined in 49 CFR 26 in the performance of purchase orders financed, in whole or in part, with federal funds. It is the policy of MTS to ensure that DBEs have an equal opportunity to receive and participate in MTS DOT-assisted purchase orders. It is also our policy to: 1) Ensure nondiscrimination in the award and administration of all MTS purchase orders and subcontracts; 2) Create a level playing field by which DBEs can compete for and perform in MTS DOT-assisted purchase orders; 3) Ensure that the MTS DBE Program is narrowly tailored in accordance with applicable law and current legal standards, including the Ninth Circuit Ruling in Western States Paving vs. Washington State Department of Transportation; 4) Ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs; 5) Help remove procurement and purchase ordering barriers, which impede DBE participation in MTS DOT-assisted purchase orders; 6) Monitor and enforce Contractors' compliance in meeting established goal objectives and program requirements; 7) Assist in the development of DBEs and Small Businesses to increase their ability to compete successfully in the market place outside the DBE Program; 8) Ensure MTS Contractors and Subcontractors take all necessary; and reasonable steps to comply with these policy objectives. To ascertain whether it's overall DBE goal is being achieved, MTS is tracking DBE participation on all federal-aid purchase orders. MTS encourages the proposer to outreach to DBEs and other small business enterprises for any potential subcontracting opportunities on this project. Contractor is also encouraged to use services offered by financial institutions owned and controlled by DBEs. The California Unified Certification Program DBE Directory can be found at: <http://californiaucp.org/>. If interested in learning about bonding or financial assistance that may be available, visit [www.sba.gov](http://www.sba.gov).

36. Civil Rights: A. Subcontract. The Contractor shall include these requirements in each subcontract entered into as part thereof. B. Nondiscrimination. In accordance with Federal transit law at 49 U.S.C. § 5332, the Contractor agrees that it will not discriminate against any employee or applicant for employment because of race, color, religion, national origin, sex, gender identity, sexual orientation, disability, or age. In addition, the Contractor agrees to comply with applicable Federal implementing regulations and other implementing requirements FTA may issue. C. Race, Color, Religion, National Origin, Sex. In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C. § 2000e et seq., and Federal transit laws at 49 U.S.C. § 5332, the Contractor agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 C.F.R. chapter 60, and Executive Order No. 11246, "Equal Employment Opportunity in Federal Employment," September 24, 1965, 42 U.S.C. § 2000e note, as amended by any later Executive Order that amends or supersedes it, referenced in 42 U.S.C. § 2000e note. The Contractor agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, national origin, or sex (including sexual orientation and gender identity). Such action shall include, but not be limited to, the following: employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue. D. Age. In accordance with the Age Discrimination in Employment Act, 29 U.S.C. §§ 621- 634, U.S. Equal Employment Opportunity Commission (U.S. EEOC) regulations, "Age Discrimination in Employment Act," 29 C.F.R. part 1625, the Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6101 et seq., U.S. Health and Human Services regulations, "Nondiscrimination on the Basis of Age in Programs or Activities Receiving Federal Financial Assistance," 45 C.F.R. part 90, and Federal transit law at 49 U.S.C. § 5332, the Contractor agrees to refrain from discrimination against present and prospective employees for reason of age. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue. E. Disabilities. In accordance with section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794, the Americans with Disabilities Act of 1990, as amended, 42 U.S.C. § 12101 et seq., the Architectural Barriers Act of 1968, as amended, 42 U.S.C. § A-27 4151 et seq., and Federal transit law at 49 U.S.C. § 5332, the Contractor agrees that it will not discriminate against individuals on the basis of disability. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

37. Contractor Assurance: The Contractor or Subcontractor shall not discriminate on the basis of race, color, national origin or sex in the performance of this purchase order. The Contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted purchase orders. Failure by the Contractor to carry out these requirements is a material breach of this purchase order which may result in the termination of this purchase order or other remedy as MTS deems appropriate, which may include, but is not limited to: (1) Withholding monthly progress payments; (2) Assessing sanctions; (3) Liquidated damages; and/or (4) Disqualifying the contractor from future bidding as non-responsible. Each subcontract the Contractor signs with a Subcontractor must include the assurance in this paragraph.

38. Debarment and Suspension: (Applicable to all purchase orders over \$25,000) The Contractor shall comply and facilitate compliance with U.S. DOT regulations, "Nonprocurement Suspension and Debarment," 2 C.F.R. part 1200, which adopts and supplements the U.S. Office of Management and Budget (U.S. OMB) "Guidelines to Agencies on Government wide Debarment and Suspension (Nonprocurement)," 2 C.F.R. part 180. Contractor shall verify that its principals, affiliates, and subcontractors are eligible to participate in this federally funded contract and are not presently declared by any Federal department or agency to be: a) Debarred from participation in any federally assisted Award; b) Suspended from participation in any federally assisted Award; c) Proposed for debarment from participation in any federally assisted Award; d) Declared ineligible to participate in any federally assisted Award; e) Voluntarily excluded from participation in any federally assisted Award; or f) Disqualified from participation in any federally assisted Award. The Contractor agrees to include a provision requiring compliance to this section in its lower tier covered transactions.

39. Environmental Protections: A. General. Contractor agrees to comply with all applicable environmental and resource use laws, regulations, and requirements, and follow applicable guidance, now in effect or that may become effective in the future, including state and local laws, ordinances, regulations, and requirements and follow applicable guidance. B. National Environmental Policy Act. An Award of federal assistance requires the full compliance with applicable environmental laws, regulations, and requirements. Accordingly, the Contractor agrees that it will: (1) Comply and facilitate compliance with federal laws, regulations, and requirements, including, but not limited to: (a) Federal transit laws, such as 49 U.S.C. § 5323(c)(2), and 23 U.S.C. § 139, (b) The National Environmental Policy Act of 1969 (NEPA), as amended, 42 U.S.C. §§ 4321 et seq., as limited by 42 U.S.C. § 5159, and CEQ#s implementing regulations 40 C.F.R. part 1500 # 1508, (c) Joint FHWA and FTA regulations, "Environmental Impact and Related Procedures," 23 C.F.R. part 771 and 49 C.F.R. part 622, (d) Executive Order No. 11514, as amended, "Protection and Enhancement of Environmental Quality," March 5, 1970, 42 U.S.C. § 4321 note, and (e) Other federal environmental protection laws, regulations, and requirements applicable to the Recipient or the Award, the accompanying Underlying Agreement, and any Amendments thereto. (2) Follow the federal guidance identified herein to the extent that the guidance is consistent with applicable authorizing legislation: (a) Joint FHWA and FTA final guidance, "Interim Guidance on MAP-21 Section 1319, Accelerated Decision making in Environmental Reviews," January 14, 2013, (b) Joint FHWA and FTA final guidance, "SAFETEA-LU Environmental Review Process (Pub. L. 109-59)," 71 Fed. Reg. 66576, November 15, 2006, and (c) Other federal environmental guidance applicable to the Recipient or the Award, the accompanying Underlying Agreement, and any Amendments thereto. C. Environmental Justice. Contractor agrees to promote environmental justice by following: (1) Executive Order No. 12898, "Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations," February 11, 1994, 42 U.S.C. § 4321 note, as well as facilitating compliance with that Executive Order, (2) U.S. DOT Order 5610.2, "Department of Transportation Actions To Address Environmental Justice in Minority Populations and Low-Income Populations," # 62 Fed. Reg. 18377, April 15, 1997, and (3) The most recent edition of FTA Circular 4703.1, "Environmental Justice Policy Guidance for Federal Transit Administration Recipients," August 15, 2012, to the extent consistent with applicable federal laws, regulations, requirements, and guidance. D. Other Environmental Federal Laws. Contractor agrees that it will comply or facilitate compliance with all applicable federal laws, regulations, and requirements, and will follow applicable guidance, including, but not limited to, the Clean Air Act, Clean Water Act, Wild and Scenic Rivers Act of 1968, Coastal Zone Management Act of 1972, the Endangered Species Act of 1973, Magnuson Stevens Fishery Conservation and Management Act, Resource Conservation and Recovery Act, Comprehensive Environmental Response, Compensation, and Liability Act, Executive Order No. 11990 relating to "Protection of Wetlands," and Executive Order Nos. 11988 and 13690 relating to "Floodplain Management." E. Use of Certain Public Lands. Contractor agrees it will comply with U.S. DOT laws, specifically 49 U.S.C. § 303 (often referred to as "section 4(f)"), and joint FHWA and FTA regulations, "Parks, Recreation Areas, Wildlife and Waterfowl Refuges, and Historic Sites," 23 C.F.R. part 774, and referenced in 49 C.F.R. part 622. F. Historic Preservation. The Contractor agrees that it will: (1) Comply with U.S. DOT laws, including 49 U.S.C. § 303 (often referred to as "section 4(f)"), which requires certain findings be made before an Award may be undertaken if it involves the use of any land from a historic site that is on or eligible for inclusion on the National Register of Historic Places. (2) Encourage compliance with the federal historic and archaeological preservation requirements of section 106 of the National Historic Preservation Act, as amended, 54 U.S.C. § 306108. (3) Comply with the Archeological and Historic Preservation Act of 1974, as amended, 54 U.S.C. § 312501 et seq. (4) Comply with U.S. Advisory Council on Historic Preservation regulations, "Protection of Historic Properties," 36 C.F.R. part 800. (5) Comply with federal requirements and follow federal guidance to avoid or mitigate adverse effects on historic properties. G. Indian Sacred Sites. The Contractor agrees that it will facilitate compliance with federal efforts to promote the preservation of places and objects of religious importance to American Indians, Eskimos, Aleuts, and Native Hawaiians, and facilitate compliance with the American Indian Religious Freedom Act, 42 U.S.C. § 1996, and Executive Order No. 13007, "Indian Sacred Sites," May 24, 1996, 42 U.S.C. § 3161 note.

40. ADA Access: The Contractor shall comply with all applicable requirements of the Americans with Disabilities Act of 1990 (ADA), 42 USC Section 12101 et seq; Section 504 of the Rehabilitation Act of 1973 , as amended, 29 USC Section 794; 49 USC Section 5301(d), which prohibit discrimination on the basis of handicaps, with the Americans with Disabilities Act of 1990 (ADA), as amended, 42 U.S.C. §§ 12101 et seq., which requires that accessible facilities and services be made available to persons with disabilities, including any subsequent amendments to that Act, and with the Architectural Barriers Act of 1968, as amended, 42 U.S.C. §§ 4151 et seq., which requires that buildings and public accommodations be accessible to persons with disabilities, including any subsequent amendments to that Act.

41. Safe Operation of Motor Vehicles: A. Seat Belt Use. The Contractor is encouraged to adopt and promote on-the-job seat belt use policies and programs for its employees and other personnel that operate company- owned vehicles, company- rented vehicles, or personally operated vehicles. The terms "company-owned" and "company-leased" refer to vehicles owned or leased either by the Contractor or MTS. B. Distracted Driving. The Contractor agrees to adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers, including policies to ban text messaging while using an electronic device supplied by an employer, and driving a vehicle the driver owns or rents, a vehicle Contractor owns, leases, or rents, or a privately-owned vehicle when on official business in connection with the work performed under this Contract. The Contractor agrees to conduct workplace safety initiatives in a manner commensurate with its size, such as establishing new rules and programs to prohibit text messaging while driving, re-evaluating the existing programs to prohibit text messaging while driving, and providing education, awareness, and other outreach to employees about the safety risks associated with texting while driving.

42. Domestic Preferences for Procurements: As appropriate and to the extent consistent with law, the Contractor should, to the greatest extent practicable under a Federal award, a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States. "Manufactured products"

means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

43. Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment (APPLICABLE TO ALL CONTRACTS)

In accordance with 2 CFR part 200.216, Contractor and its subcontractors are prohibited from expending funds under this Contract to: procure or obtain; extend or renew a contract to procure or obtain; or enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities). This includes: for the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities); telecommunications or video surveillance services provided by such entities or using such equipment; and telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

44. Lobbying (Applicable all contracts and subcontracts over \$100,000) The Contractor and their subcontracts at every tier certifies that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. The Contractor and their subcontracts at every tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award.



Date  
June 11, 2026

DELLNER, INC  
4016 Shutterfly Rd.  
Charlotte, NC 28217  
USA  
704 527 2121  
www.dellner.com

**Quote to Repair RMA # CA260302-TCS-05**  
Please note this quote number on your purchase orders

We received the following material for repair:

| Dellner Part Number | Description  | S/N | Quantity |
|---------------------|--------------|-----|----------|
| 1007476             | Auto Coupler | 007 | 1        |

Automatic coupler SN 007 sent in for evaluation and repair following an accident. The inspection showed missing left cables, electrics damaged, and a worn draft gear. We recommend replacing the vertical support damper, pivot shaft, ground cables, limit switch, cable suspension, latch head, guide horn, spherical rubber bearing, contact housing, covers, roller shackle, guide bushing, spring holder, guide pin, rubber bearing, fix rod, left and right cabling, left and right brackets, mounting plate, clamp and other miscellaneous parts and hardware.

Following is Dellner's proposal for the replacement/repair and return to San Diego in an "as new" condition:

| Dellner Part Number | Description         | Quantity | Lead Time | Price/each USD |
|---------------------|---------------------|----------|-----------|----------------|
| 1007476-REP007      | Auto Coupler Repair | 1        | 52 weeks  | \$68,288.89    |

The lead time is approximately 52 weeks after receipt of your order. Our terms are Net 30 days, FOB origin, and freight is the responsibility of San Diego. We have a one-year warranty on parts and labor. This quote is valid for 90 days.

If you have any further questions or concerns, please do not hesitate to contact me at any time.

Best regards,

Gabriel Pfeiffer  
Email: [gabriel.pfeiffer@dellner.com](mailto:gabriel.pfeiffer@dellner.com)



Date  
May 19, 2026

DELLNER, INC  
4016 Shutterfly Rd.  
Charlotte, NC 28217  
USA  
704 527 2121  
www.dellner.com

**Quote to Repair RMA #CA260302-TCS-01**  
Please note this quote number on your purchase orders

We received the following material for repair:

| Dellner Part Number | Description  | S/N | Quantity |
|---------------------|--------------|-----|----------|
| 1036377             | Auto Coupler | 033 | 1        |

Automatic coupler SN 033 sent in for evaluation and repair. The uncoupling motor and electric hose were damaged along with the draft gear having visible wear and tear. We recommend replacing the motor, mounting bolt, latch head, spherical bearing, rubber bearing, support spring, support strut, bearing bracket, pivot pin, dog head, ground cable as well as other miscellaneous parts and hardware. To address the buffer assembly, two options are available: a full buffer tube replacement or a buffer weld repair to install new claws.

Following is Dellner's proposal for the replacement/repair and return to San Diego in an "as new" condition:

| Dellner Part Number | Description                                                 | Quantity | Lead Time | Price/each USD |
|---------------------|-------------------------------------------------------------|----------|-----------|----------------|
| 1036377-REP033      | Option 1: Repair auto coupler w/<br>Buffer Tube Replacement | 1        | 54 weeks  | \$35,865.11    |
| 1036377-REP033      | Option 2: Repair auto coupler w/<br>Buffer Weld Repair      | 1        | 52 weeks  | \$29,378.90    |

The lead time is approximately 54 weeks after receipt of your order. Our terms are Net 30 days, FOB origin, and freight is the responsibility of San Diego. We have a one-year warranty on parts and labor. This quote is valid for 90 days.

If you have any further questions or concerns, please do not hesitate to contact me at any time.

Best regards,

Danny Puerta – Sales Support Specialist – Dellner Service  
Email: [danny.puerta@dellner.com](mailto:danny.puerta@dellner.com)



Date  
May 19, 2026

DELLNER, INC  
4016 Shutterfly Rd.  
Charlotte, NC 28217  
USA  
704 527 2121  
www.dellner.com

**Quote to Repair RMA #CA260302-TCS-02**  
Please note this quote number on your purchase orders

We received the following material for repair:

| Dellner Part Number | Description  | S/N | Quantity |
|---------------------|--------------|-----|----------|
| 1036377             | Auto Coupler | 030 | 1        |

Automatic coupler SN 030 sent in for evaluation and repair. We found an operating device and two electrical contacts missing. The support spring was found twisted and damaged, the socket joint has been disassembled, and the connection screw is missing its retaining ring. We recommend replacing the operating device, support spring, shear bolt, ground cable, mounting bolt as well as other miscellaneous parts and hardware.

Following is Dellner's proposal for the replacement/repair and return to San Diego in an "as new" condition:

| Dellner Part Number | Description         | Quantity | Lead Time | Price/each USD |
|---------------------|---------------------|----------|-----------|----------------|
| 1036377-REP033      | Repair auto coupler | 1        | 30 weeks  | \$13,551.83    |

The lead time is approximately 30 weeks after receipt of your order. Our terms are Net 30 days, FOB origin, and freight is the responsibility of San Diego. We have a one-year warranty on parts and labor. This quote is valid for 90 days.

If you have any further questions or concerns, please do not hesitate to contact me at any time.

Best regards,

Danny Puerta – Sales Support Specialist – Dellner Service  
Email: [danny.puerta@dellner.com](mailto:danny.puerta@dellner.com)



Date  
May 19, 2026

DELLNER, INC  
4016 Shutterfly Rd.  
Charlotte, NC 28217  
USA  
704 527 2121  
www.dellner.com

**Quote to Repair RMA #CA260302-TCS-03**  
Please note this quote number on your purchase orders

We received the following material for repair:

| Dellner Part Number | Description  | S/N | Quantity |
|---------------------|--------------|-----|----------|
| 1036377             | Auto Coupler | 091 | 1        |

Automatic coupler SN 091 sent in for evaluation and repair. The coupler inspection revealed extensive electrical and mechanical damage, including ripped right-side cabling and a cracked insulation block caused by a bent contact. Internally, the centering device was found with a loose cam disc and broken connex pins, while the draft gear pivot shaft was found seized due to insufficient lubrication. Additionally, the support spring has notable amounts of wear and tear and the buffer tube claws show significant wear remediation. We recommend replacing the mounting bolt, right cabling, ground cable, rubber bearing, left bracket, mounting plate, insulation block, support spring, operating device, latch head, spherical bearing, housing, operating arms, support lower half and support strut. To address the buffer assembly, two options are available: a full buffer tube replacement or a buffer weld repair to install new claws.

Following is Dellner's proposal for the replacement/repair and return to San Diego in an "as new" condition:

| Dellner Part Number | Description                                                 | Quantity | Lead Time | Price/each USD |
|---------------------|-------------------------------------------------------------|----------|-----------|----------------|
| 1036377-REP091      | Option 1: Repair auto coupler w/<br>Buffer Tube Replacement | 1        | 54 weeks  | \$48,461.54    |
| 1036377-REP091      | Option 2: Repair auto coupler w/<br>Buffer Weld Repair      | 1        | 52 weeks  | \$41,975.33    |

The lead time is approximately 54 weeks after receipt of your order. Our terms are Net 30 days, FOB origin, and freight is the responsibility of San Diego. We have a one-year warranty on parts and labor. This quote is valid for 90 days.

If you have any further questions or concerns, please do not hesitate to contact me at any time.

Best regards,



**Date**  
19 May 2026

**Pages**  
2(2)

A handwritten signature in black ink, appearing to be 'DP' or similar initials, written in a cursive style.

Danny Puerta – Sales Support Specialist – Dellner Service  
Email: [dannypuerta@dellner.com](mailto:dannypuerta@dellner.com)



Date  
May 19, 2026

DELLNER, INC  
4016 Shutterfly Rd.  
Charlotte, NC 28217  
USA  
704 527 2121  
www.dellner.com

**Quote to Repair RMA # CA260302-TCS-04**  
Please note this quote number on your purchase orders

We received the following material for repair:

| Dellner Part Number | Description  | S/N | Quantity |
|---------------------|--------------|-----|----------|
| 1036377             | Auto Coupler | 112 | 1        |

Automatic coupler SN 112 sent in for evaluation and repair. The inspection identified significant mechanical and electrical damage. The right cabling wires have been ripped and dragged apart. The centering device cam disk became loose and had broken connex pins. The pivot shaft within the draft gear is seized due to lack of lubrication. There was also wear around the shaft that needs replacing. There was also notable wear and tear on the support springs requiring replacement. We recommend replacing the mounting bolt, right cabling, the cover, limit switch, operating arm, cable support, operating device, latch head, support spring, ground cable, spherical rubber bearing, and pivot shaft. To address the buffer assembly, two options are available: a full buffer tube replacement or a buffer weld repair to install new claws.

Following is Dellner's proposal for the replacement/repair and return to San Diego in an "as new" condition:

| Dellner Part Number | Description                                                 | Quantity | Lead Time | Price/each USD |
|---------------------|-------------------------------------------------------------|----------|-----------|----------------|
| 1036377-REP112      | Option 1: Repair auto coupler w/<br>Buffer Tube Replacement | 1        | 54 weeks  | \$46,346.91    |
| 1036377-REP112      | Option 2: Repair auto coupler w/<br>Buffer Weld Repair      | 1        | 35 weeks  | \$39,860.70    |

The lead time is approximately 54 or 35 weeks after receipt of your order. Our terms are Net 30 days, FOB origin, and freight is the responsibility of San Diego. We have a one-year warranty on parts and labor. This quote is valid for 90 days.

If you have any further questions or concerns, please do not hesitate to contact me at any time.

Best regards,





**Date**  
19 May 2026

**Pages**  
2(2)

Danny Puerta – Sales Support Specialist - Dellner  
Email: [dannypuerta@dellner.com](mailto:dannypuerta@dellner.com)



**Metropolitan  
Transit  
System**

**DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 9/3/2026**

## **Agenda Item No. 13**

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

**September 17, 2026**

**SUBJECT:**

**Bogie Carset Repairs – Contract Amendment**

**RECOMMENDATION:**

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute Amendment No. 1 to MTS Doc. No. L1704.0-25 (in substantially the same format as Attachment A), with Siemens Mobility, Inc. (Siemens), for the repair of power trucks that were involved in the Light Rail Vehicles (LRV) 5027 accident, in the amount of \$876,392.10.

**Budget Impact**

The total cost of this amendment is estimated to be \$876,392.10 (Attachment A), and the total cost of this contract is estimated to be \$1,195,689.28 (inclusive of the total costs for Amendment 1). These services costs will be funded by the San Diego Trolley (SDTI) Risk Recovery Operations Budget Account 930016-130300.

On September 11, 2025 (Agenda Item (AI) 20), the Board approved a separate contract with Siemens to perform the structural repair and body work necessary to restore LRV 5027 to operating condition, at a cost of \$1,997,346.52.

A portion of these costs will be paid by MTS's property insurance program through PRISM. MTS will be responsible for a \$250,000 deductible but is seeking insurance payments for the remaining LRV repair amounts related to the November 5, 2024 collision.

**DISCUSSION:**

On November 5, 2024, LRV 5027 was involved in an accident when an automobile ignored the flashing red lights and warning bells that were active at the L Street crossing on the Blue Line. The automobile crashed through the lowered gate arm barrier at the protected crossing, making direct contact with LRV 507 as it traveled through the grade crossing. As a result of the collision, LRV 5027 derailed and extensive damage was caused to the body of the LRV, as well as the three (3) trucks underneath the car.



The damaged trucks consist of the following: two (2) power trucks, which contain traction motors, gearboxes, axles, tires, brake equipment, frame, and other drive-oriented components; and one (1) non-powered center truck containing bridge axles, tires, brake equipment, sensors, and other non-drive truck-related components.

On July 17, 2025 (AI 10), the Board approved a sole source agreement with Siemens, MTS Doc. No. L1704.0-25, for the assessment and repair of the power trucks that were involved in the LRV 5027 accident. That initial agreement was for \$319,297.18 (\$196,375.00 for assessment and repair plus \$122,922.18 for contingency parts). Today's proposed action would issue an amendment to Siemens for \$876,392.10 in additional funds for the repair of power trucks that were involved in the accident.

Siemens was contracted to perform the truck-related repairs to LRV 5027 because such repairs are beyond the resources of MTS's in-house LRV maintenance department. After delivery to Siemens, the trucks damaged in the incident were disassembled, evaluated, and tested to determine the scope of repairs needed to return them to serviceable condition in accordance with Original Equipment Manufacturer (OEM) engineering specifications and applicable railroad standards. The evaluation determined that the units sustained significantly more extensive damage than was initially observed due to the forces experienced during the impact and subsequent derailment. Furthermore, it was determined that while the trucks could be rebuilt and recertified for service, a significant amount of material needed to be replaced, refurbished or repaired. This included full replacement of the damaged center truck low floor axle bridges, brake equipment and bearings, repair and reconditioning of traction motors and gearboxes; and rework and straightening of the truck frames and bolsters, as well as other associated components. Because of this, the funding provided on the original contract is not sufficient to complete the necessary repairs. MTS has already paid the assessment costs of \$196,375.00 under the original contract. The repairs will cost \$999,314.28, bringing the contract total to \$1,195,689.28.

The full truck assemblies were purchased new in 2020 at a cost of \$1,438,242. Current market replacement costs are estimated to be \$2,000,000 or more. Based on the estimated replacement cost, repairing and recertifying the existing truck assemblies is a more cost-effective option than replacement. Therefore, MTS staff has determined that the new estimated assessment & repair cost of \$1,195,689.28 is still the most cost-effective option for this repair.

In comparison with MTS's Independent Cost Estimate (ICE) of \$960,829.71, MTS staff determined that Siemens' quote to repair the trucks is fair and reasonable. This determination was based on pricing from a similar SD8 axle purchase under Purchase Order (PO) 4500071024, tapered bearing purchases under PO 4500074741, and various other purchase orders that were issued for stock replenishment. Labor rate estimates were based on Fiscal Year (FY) 2024 Siemens labor-hour rates stated in PO 4500070604.

When combined with the structural and body repairs previously approved by the Board, the total cost to restore LRV 5027 is currently estimated at approximately \$3.3 million. While this is a significant sum, it is still far less than the approximately \$6 million replacement value for the LRV. Most of the costs will be reimbursed by MTS's property insurance program.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute Amendment No. 1 to MTS Doc. No. L1704.0-25 (in substantially the same format as Attachment A), with Siemens, for the repair of power trucks that were involved in the LRV 5027 accident, in the amount of \$876,392.10.

/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. MTS Draft Amendment No. L1704.1-25



**Metropolitan  
Transit  
System**

## Amendment 1

September 17, 2026

MTS Doc No. L1704.1-25

### BOGIE CARSET REPAIRS – ADD FUNDS

Siemens Mobility, Inc.  
James Evans  
Accident Repair Manager  
5301 Price Ave  
McClellan CA, 95652

This shall serve as Amendment No.1 to the original agreement L1704.0-25 as further described below.

### SCOPE

The Siemens proposal in Attachment A is added to the Scope of Work.

### SCHEDULE

There are no changes to the provision of this agreement schedule.

### PAYMENT

This contract amendment shall authorize additional costs not to exceed \$876,392.10.

The total value of this contract, including this amendment shall be in the amount of \$1,195,689.28 (\$319,297.18 *current contract plus* \$876,392.10 for Amendment 1). This amount shall not be exceeded without prior written approval from MTS. The remaining funds (\$999,314.28) shall be paid according to the following milestones:

| Task                                      | Due Date/Status                              | Amount                |
|-------------------------------------------|----------------------------------------------|-----------------------|
| Assessment –<br>Inspect & Evaluate Trucks | Complete/Paid                                | \$196,375.00          |
| Repair Phase 1 – 25%                      | After Material POs Issued by Siemens         | \$249,828.57          |
| Repair Phase 2 – 25%                      | At End of Structural Repair; Before Painting | \$249,828.57          |
| Repair Phase 3 – 25%                      | After Reassembly; Before Testing             | \$249,828.57          |
| Repair Phase 4 – 25%                      | Final Inspection and Delivery                | \$249,828.57          |
| <b>TOTAL</b>                              |                                              | <b>\$1,195,689.28</b> |



Please sign and return the copy 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

\_\_\_\_\_  
James Evans, Accident Repair Manager  
Siemens Mobility, Inc.

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



## Mobility Customer Services

San Diego Metropolitan Transit System  
Andy Goddard  
Director of LRV Maintenance  
1255 Imperial Ave., Suite 1000  
San Diego, CA 92101

Date: August 28<sup>th</sup>, 2026  
Subject: MTS LRV #5027 Bogies Repair  
Response required: Yes

### San Diego #5027 Bogie Set Repair:

Dear Mr. Goddard,

Siemens Mobility, Inc. ("SIEMENS") writes to provide you with a proposal for support services outlined in the subject line (this "Proposal"). This Proposal is based upon the scope, personnel, services, and location provided for herein and is valid through October 30<sup>th</sup>, 2026, after which date the pricing and other terms of this Proposal shall be subject to adjustment. Any variation in the Scope of Work will be subject to separate terms, conditions, and pricing.

### Background

MTS previously awarded Siemens an initial scope for the assessment and repair of the LRV #5027 bogie set in the amount of \$319,297.18. This amount consisted of \$196,375.00 for assessment and repair activities and \$122,922.18 for contingency parts. Siemens received Purchase Order 4500070887 on September 23, 2025, and concluded the assessment phase on January 23, 2026. The assessment included disassembly, cleaning, component measurements, and engineering evaluation. The findings identified additional repairs and materials required to complete the restoration of the bogie set. This additional scope is detailed in the present proposal.

### Scope of Work

This proposal refers to the complementary scope of LRV #5027, specifically the repairing of the set of bogies involved in the vehicle accident. The scope was defined based on the engineering technical assessment carried out at the SIEMENS facility after complete disassembly, cleaning, and component measurement/evaluation. This proposal includes the procurement of the necessary materials to be repaired or replaced with the materials in accordance with the OEM technical requirements. Siemens is responsible for managing the materials acquired in accordance with the proposed scope. Siemens will manage logistics and storage of these materials until the repaired bogies are delivered to San Diego Metropolitan Transit System.

The Scope of Work of SIEMENS is repairing the structural elements, reassemble and test the 5027 Bogie Set (PT US10734, PT US10743, CT US20425).

The overall scope includes the following:

- Drive units overhaul and validation/testing;

Siemens Mobility Inc.

SIEMENS Mobility Inc.  
5301 Price Ave  
McClenan Park, CA 95652

Tel.: 888-22 33 801  
[www.siemens.com/mobility](http://www.siemens.com/mobility)

- Frame and bolster repairs in accordance with approved OEM rework procedures;
- Quality assurance activities, including Non-Destructive Testing (NDT);
- Touch-up painting;
- Reassembly;
- Static and load testing;
- Shipment to San Diego.

All the rework procedures and material lists are attached to this proposal according to the technical assessment performed in each truck. Based on that, the specific repair scope will be the following:

| Platform: | S/N Affected: | Repair Scope (highlights)                                  | Drawing(s)                       | Rework Procedure incl. Bill of Material |
|-----------|---------------|------------------------------------------------------------|----------------------------------|-----------------------------------------|
| Bogie     | US10734       | <sup>1</sup> Rework of PT Axle Parallelism                 | A2V00002625890<br>A2V00002631409 | RW - SD9<br>PT US10734 Final<br>Rev A   |
| Bolster   | US30583       | <sup>2</sup> Rework of PT frame ACFM finding               |                                  |                                         |
|           |               | <sup>3</sup> Rework of PT frame Weld Plate                 |                                  |                                         |
|           |               | <sup>4</sup> Rework of PT Head Beam Console Bracket        |                                  |                                         |
|           |               | <sup>5</sup> Rework of Bolster Rotation Stop               |                                  |                                         |
| Bogie     | US10743       | <sup>1</sup> Rework of PT Head beam bracket                | A2V00002625890<br>A2V00002631409 | RW - SD9<br>PT US10743 Final<br>Rev A   |
| Bolster   | US30698       | <sup>2</sup> Rework of PT Track brake bracket ACFM finding |                                  |                                         |
|           |               | <sup>3</sup> Rework of PT Head beam Console Bracket        |                                  |                                         |
|           |               | <sup>4</sup> Rework of PT Frame Weld Plate                 |                                  |                                         |
|           |               | <sup>5</sup> Rework of Bolster Rotation Stop               |                                  |                                         |
| Bogie     | US20425       | <sup>1</sup> Rework of NPT Axle Parallelism                | A2V00002625891                   | RW - SD9<br>CT US20425 Final<br>Rev A   |
|           |               | <sup>2</sup> Rework of NPT frame ACFM finding              |                                  |                                         |
|           |               | <sup>3</sup> Rework of track brake bracket ACFM findings   |                                  |                                         |
|           |               | <sup>4</sup> Rework of track brake bracket damage          |                                  |                                         |
|           |               | <sup>5</sup> Rework of NPT Frame Weld on Screw             |                                  |                                         |
|           |               | <sup>6</sup> Rework of damper support bracket damage       |                                  |                                         |
|           |               | <sup>7</sup> Rework of NPT axle bearing girder             |                                  |                                         |

Following the inspection, additional components were identified as necessary to complete the scope of work. These items are incorporated into this proposal and detailed separately below for transparency.

- A2V00003107984 - BRAKE CALIPER, LEFT, QTY: 2 PC
- A2V00003107985 – BRAKE CALIPER, RIGHT, QTY: 2 PC
- RS:A8635600 - BRAKE DISC,SF45,CT, QTY: 4 PC
- RS:A9027800 – BRAKE PAD, SF45, CT, JURID861, QTY: 8 PC
- A2V00002711479 – MAGNETIC TRACK BRAKE, QTY: 2 PC
- 99600-902D8 TAPERED ROLLER BEARING

Siemens Mobility Inc.

SIEMENS Mobility Inc.  
5301 Price Ave  
McClenan Park, CA 95652

Tel.: 888-22 33 801  
[www.siemens.com/mobility](http://www.siemens.com/mobility)



- 95528-902B3 TAPERED ROLLER BEARING
- A2V00002625976 - TRAILER WHEELSET, QTY: 2 PC - Units currently in MTS' possession: SN 91 and 212

MTS currently possesses Trailer Wheelsets identified as Serial Numbers 91 and 212, which are presently owned by Siemens. Under this Contract, Siemens shall transfer ownership of these wheelsets to MTS. Siemens shall also provide new CT bearings to MTS during September–October 2026.

After receiving the CT bearings, MTS shall rebuild the wheelsets to a serviceable condition and deliver the completed wheelsets to Siemens' Bogie Service Center ("BSC") in McClellan Park, California.

Upon receipt at the BSC, Siemens shall inspect and validate the rebuilt wheelsets for integration into a CT truck frame. Following successful validation, Siemens shall assume responsibility for integration of the wheelsets into the CT truck frame.

Ownership of Trailer Wheelsets Serial Numbers 91 and 212 shall transfer from Siemens to MTS upon delivery of the CT bearings to MTS. From the date of ownership transfer until delivery of the rebuilt wheelsets to Siemens at the BSC, MTS shall bear all risk of loss, damage, and responsibility for the wheelsets.

Following the ownership transfer and rebuild process described above, Siemens will proceed with the required validation and integration activities at the BSC as part of the overall CT truck repair scope. Based on the assessment information and experience with similar frame repairs, we consider the CT Frame repairable, and the details of this repair are included in the provided Repair Procedures.

A multidisciplinary team with specific knowledge is needed to ensure the project runs smoothly. Below are the groups involved and their areas of responsibility:

- **Project Management:** Responsible for all interfaces between Siemens groups and MTS project team, internal coordination during the project (operations, procurement, logistics, quality, commercial and engineering), progress reports elaboration and project reporting, milestones invoicing and delivery of services according to the acceptance criteria.
- **Engineering:** Responsible for repair specifications development, bill of materials, on-site support during repair, obsolescence management, 3D-scanning/FARO Arm and structural integrity analysis, conformance criteria and results, vehicle history book documentation.
- **Quality Assurance:** Responsible for in-process repair quality assurance hold points, incoming inspection of new material, vehicle history book update, critical welds inspection, NDT and final inspection/design conformance.
- **Procurement team:** Strategic procurement management including vendor quotes, obsolete material management, purchase order placing, confirmation of delivery dates and material logistics until work completion.
- **Repair Activities:** Direct effort to disassemble and reassemble the vehicle.

- Specialized Repair Activities: structural repair (welding), on-site parts fabrication and machining, sub-assembly production, painting/finishing, components integrity validation and electrical testing.
- Material BOM: Materials to complete the scope defined.
- Project Review meetings: Our project management team will hold monthly status meetings with deliverables.

Work duration is calculated based on regular working hours. If for some reason these working hours need to be extended, a separate quote might be necessary.

SIEMENS Repair Facility:

Siemens Mobility Inc.  
5301 Price Ave  
McClellan Park, CA

Timeline:

Please note that due to complexity of works to be performed, any proposed timeline is an estimate only and to be updated and agreed with San Diego Metropolitan Transit System after the NTP (e.g., based on the actual lead time of materials, sub-assembly production timeline, etc.).

We plan to ship the car-set of trucks with the Repaired LRV #5027 in January 2027.

Workmanship Standards:

Please refer to the attached document QMP-003 rev 1.pdf for the SIEMENS CS General Workmanship Standards in Revision 1.

Material:

Material in this proposal is listed separately in the files according to the above specific scope and has 455 material line items in total and includes the items that are priced individually. Any material which is not described in the list is not part of this contract and will be priced standalone if needed. Please be aware that electrical components might have suffered during the storage time due to humidity, freezing, etc.

Warranty:

SIEMENS warrants that all work will conform to the Scope of Work and other requirements of the offer and that incorporated materials will fulfill their design function. The foregoing warranty shall be effective for a period of one (1) year from the date of conditional acceptance of repair. Such warranty shall apply only to the assemblies affected by the repair work and listed materials or components. If SAN DIEGO METROPOLITAN TRANSIT SYSTEM identifies a defect covered by the warranty, then SAN DIEGO METROPOLITAN TRANSIT SYSTEM shall notify SIEMENS within a reasonable time and SIEMENS and SAN DIEGO METROPOLITAN TRANSIT SYSTEM then shall meet within ten (10) calendar days to determine the most reasonable course for remediation. To the extent possible, SAN DIEGO METROPOLITAN TRANSIT SYSTEM will allow SIEMENS or its designee to perform the repair work.

THE FOREGOING WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES EXPRESS, IMPLIED, OR STATUTORY, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Siemens Mobility Inc.

SIEMENS Mobility Inc.  
5301 Price Ave  
McClellan Park, CA 95662

Tel.: 888-22 33 801  
[www.siemens.com/mobility](http://www.siemens.com/mobility)

Limitation of Liability:

Neither party to this Proposal shall be liable to the other party for lost profits or punitive, special, indirect, or consequential damages, whether arising out of breach of this Proposal, tort (including negligence), or any other theory of liability, and each party releases the other from any such liability. The total liability of SIEMENS to SAN DIEGO METROPOLITAN TRANSIT SYSTEM for damages resulting from or arising out of any causes of action (including but not limited to tort) relating to the performance of this Proposal shall not exceed an aggregate amount equal to 100% of the Repair Price stated below.

Insurance:

Umbrella insurance policy of SIEMENS provided.

Special Remarks:

N/A

Hidden Damages:

This proposal is based on the current assessment. Additional damage may be identified during the repair process and may require a revised scope and requoteing.

Removed Components:

SIEMENS will take ownership of any scrap or removed components pertaining to the accident repair.

Exclusions:

This proposal excludes any services or materials not expressly listed herein or in its attachments. Any deviations from the defined scope shall require prior written approval from San Diego Metropolitan Transit System before Siemens proceeds.

Siemens will return any usable material back to MTS including, but not limited to:

| Component Number | Object Description                | QTY | Component Unit |
|------------------|-----------------------------------|-----|----------------|
| A2V00002711072   | STUB AXLE BRIDGE PAINTED          | 1   | PC             |
| 1RW30766.4501    | BRAKE SADDLE HUB LEFT             | 1   | PC             |
| 1RW30766.4502    | BRAKE SADDLE HUB RIGHT            | 1   | PC             |
| A6X30153708      | SUPPORT RING                      | 2   | PC             |
| A6X30153709      | BEARING COVER                     | 2   | PC             |
| A6X30153710      | CONE SPACER                       | 2   | PC             |
| A2V00002711071   | RESILIENT WHEEL CT (USED)         | 2   | PC             |
| A2V00003055898   | AXLE BEARING HOLDER OAD           | 1   | PC             |
| A2V00003055899   | AXLE BEARING HOLDER AD            | 1   | PC             |
| A2V00003102534   | GROUND BRUSH UNIT                 | 4   | PC             |
| RS:A8635600      | BRAKE DISC,SF45,CT (USED)         | 3   | PC             |
| RS:A9027800      | BRAKE PAD,SF45,CT,JURID861 (USED) | 8   | PC             |

Maintenance:

Siemens Mobility Inc.

SIEMENS Mobility Inc.  
5301 Price Ave  
McClenan Park, CA 95652

Tel.: 888-22 33 801  
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Any regularly scheduled maintenance which is due under the maintenance regime is not part of this Proposal. Items unrelated to the accident damage being quoted in this Proposal will not be replaced if found faulty during static testing.

**Repair Price: \$999,314.28** The prices include 7.75% sales tax applied to the material line items.

**Price Element Breakdown**

|                                                                     |                      |
|---------------------------------------------------------------------|----------------------|
| Project Management                                                  | \$ 75,357.43         |
| Engineering                                                         | \$ 78,714.09         |
| Quality Assurance                                                   | \$ 87,460.10         |
| Specialized Labor (Assembly, Weld Repair, Paint, Overhaul and Test) | \$ 326,596.11        |
| Materials                                                           | \$ 261,003.98        |
| <b>Base Price</b>                                                   | <b>\$ 829,131.71</b> |

|                                                 | Price Each   | Quantity | Total                |
|-------------------------------------------------|--------------|----------|----------------------|
| Trailer Wheelset Complete - Siemens BVV/RS      | \$ 30,252.70 | 2        | \$ 60,505.40         |
| Brake Caliper Left                              | \$ 7,556.07  | 2        | \$ 15,112.14         |
| Brake Caliper Right                             | \$ 7,766.30  | 2        | \$ 15,532.60         |
| Brake Disc, SF45 CT                             | \$ 7,721.03  | 4        | \$ 30,884.12         |
| Brake Pad, SF45                                 | \$ 1,108.69  | 8        | \$ -                 |
| Magnetic Track Brake                            | \$ 19,697.58 | 2        | \$ 39,395.16         |
| 99600-902D8 Tapered Roller Bearing              | \$ 1,071.11  | 4        | \$ 4,284.43          |
| 95528-902B3 Tapered Roller Bearing              | \$ 1,117.18  | 4        | \$ 4,468.72          |
| <b>Total CT Wheelset + Replacement Material</b> |              |          | <b>\$ 170,182.57</b> |
| <b>GRAND TOTAL:</b>                             |              |          | <b>\$ 999,314.28</b> |

**Contract Amendment Summary**

|                                                            | Status              | Amount                |
|------------------------------------------------------------|---------------------|-----------------------|
| Assessment – Inspect and Evaluate Trucks                   | Already Paid        | \$ 196,375.00         |
| Contingency for Parts                                      | Previously Approved | \$ 122,922.18         |
| Additional Amendment Requested                             | Pending Approval    | \$ 876,392.10         |
| Current Repair Proposal Total                              |                     | \$ 999,314.28         |
| <b>Total Contract Value, Including Amount Already Paid</b> |                     | <b>\$1,195,689.28</b> |

Payment Milestones - Repair Phases:

1<sup>st</sup> payment due after Material Pos Issued:

25% \$249,828.57

2<sup>nd</sup> payment due at the end of Structural Repair before painting:

25% \$249,828.57

3<sup>rd</sup> payment due after reassembly before testing:

25% \$249,828.57

Final payment due Final Inspection and Delivery:

25% \$249,828.57

Tariffs and Duties:

Siemens has included in its pricing all tariffs, duties, excise taxes, and surcharges in effect as of the date of this proposal. Any new tariffs, duties, excise taxes, surcharges, or increases thereto imposed

after the proposal date that impact Siemens' cost of performance shall constitute a compensable change and will require an equitable adjustment to the Contract Price through a Change Order.

Payment Terms:

All payments are net 30 days from invoice date.

Entire Agreement:

This Proposal constitutes the entire agreement of the parties. Neither oral statements nor other writings may be used to supplement, modify, or otherwise affect the provisions of this Proposal.

Please do not hesitate to contact us if any further clarification is needed. Otherwise, if this Proposal meets your agreement, please sign and return a copy for SIEMENS records. Thank you

Best regards,

**Neves  
Denise**

Digitally signed by Neves Denise  
DN: cn=Neves Denise, c=DE,  
o=Siemens,  
email=denise.neves@siemens.com  
Date: 2026.08.28 12:51:15 -0700

Denise Neves  
Accident Repair Project Manager  
Siemens Mobility, Inc.

Charlie Hollman  
Business Administration Manager  
Siemens Mobility, Inc.

Signed and agreed for San Diego Metropolitan Transit System:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**SIEMENS STANDARD SERVICE TERMS AND CONDITIONS**

**1. APPLICABLE TERMS.** This Agreement governs the sale and performance of services provided by Siemens ("Services"). The Standard Terms Addenda, these terms, any other applicable addenda, Siemens' proposal, price quote, purchase order or acknowledgement issued by Siemens form the parties' final agreement ("Agreement"). In the event of any ambiguity or conflict between these documents, precedence shall apply in accordance with the order written in the previous sentence. Siemens' proposal, offer or acceptance is conditioned on Buyer's acceptance of this Agreement. Any additional or conflicting terms in Buyer's request for proposal, specifications, purchase order or any other written or oral communication are not binding on Siemens unless separately signed by Siemens. Siemens' failure to object to Buyer's additional or conflicting terms does not operate as a waiver of the terms contained in this Agreement.

**2. PRICING & PAYMENT.** Prices and payment terms are: (i) as stated in Siemens' proposal, or if none are stated; (ii) Siemens' standard rates in effect when Siemens receives Buyer's purchase order; or if neither (i) nor (ii) apply, then Siemens' standard rates in effect when the Services are performed.

(a) Payment - Unless stated in Siemens' proposal, all payments are due net thirty (30) days from the invoice date in United States Dollars. Discounts, if any, are only applicable for payments made by cash, check, ACH or wire.

(b) Credit Approval - All orders are subject to credit approval by Siemens. Siemens may modify, suspend or withdraw the credit amount or payment terms at any time. If there is doubt as to Buyer's financial condition, Siemens may withhold performance of Services, require cash payments or advance payments, or require other satisfactory financial security before performance of Services.

(c) Taxes - Unless stated in writing by Siemens, Siemens' rates exclude charges for taxes, excises, fees, duties or other government charges related to the Services. Buyer will pay these amounts or reimburse Siemens. If Buyer claims a tax or other exemption or direct payment permit, Buyer will provide a valid exemption certificate or permit and indemnify, defend and hold Siemens harmless from any taxes, costs and penalties arising from same. Increases, changes (including in application), adjustments or surcharges which may be incurred are for Buyer's account.

(d) Late Payments- Late payments shall bear interest at an annual percentage rate of twelve percent (12%) or the highest rate allowed by law, whichever is lower.

(e) Disputed Invoice - If Buyer disputes all or any portion of an invoice, it must first deliver written notice to Siemens of the disputed amount and the basis for the dispute within twenty-one (21) days of receiving the invoice. Failure of Buyer to timely notify Siemens of any dispute constitutes a waiver of Buyer's claim. If Buyer only disputes a portion of the invoice Buyer must pay the undisputed portion in accordance with Article 2(a). Upon resolution of the dispute in favor of Siemens, Buyer must pay the invoice or the remainder of the invoice, plus any accrued interest on the late payment.

(f) Suspension/Termination Right - Siemens may suspend Services if an undisputed invoice is more than fifteen (15) days past due. Siemens may terminate this Agreement if an undisputed invoice is more than thirty (30) days past due. Unless otherwise prohibited by law, Siemens may also terminate this Agreement immediately in the event of a material adverse change in the Buyer's financial condition, including, but not limited to bankruptcy, insolvency, or liquidation.

**3. RISK OF LOSS AND SCHEDULE.** Services shall be performed at the location identified in the Agreement ("Site"). Risk of loss of or damage to Buyer's equipment, including "Equipment" (equipment, materials, components and items of any kind for which Siemens is to provide Services under the Agreement), shall remain with Buyer at all times during the performance of the Services hereunder. If Buyer procures or has procured property damage insurance applicable to occurrences at the Site, Buyer shall obtain a waiver by the insurers of all subrogation rights against Siemens.

Any performance or completion dates are estimated dates only. Siemens is not liable for any loss or expense incurred by Buyer or Buyer's customers if Siemens fails to meet any such dates.

**4. CANCELLATION.** Buyer may cancel this Agreement at any time on thirty (30) days written notice. Except for Siemens right to terminate in accordance with Article 2, either party may terminate this Agreement for material breach of the other party, provided that the breaching party has not remedied the breach or commenced to cure the breach within a reasonable period, having due regard to the nature of the breach. In the event of a termination or cancellation, unless the Agreement includes a defined termination or cancellation schedule, Buyer is liable for cancellation charges, including without



limitation: (i) the full price for any completed Services; (ii) the allocable portion of the price as determined by Siemens for any partially completed Services, including reasonable overhead and profit, (iii) reasonable demobilization costs, and (iv) payments due to subcontractors which cannot be: (1) cancelled without any payment obligation; or (2) refunded.

**5. FORCE MAJEURE / DELAYS.** If either party is unable to perform or suffers delay in performance, due to any cause beyond its reasonable control (regardless of whether the cause was foreseeable), including without limitation acts of God, inclement or unusually severe weather conditions, strikes, labor shortage or disturbance, fire, accident, war or civil disturbance, delays of carriers, cyber-attacks, terrorist attacks, failure of normal sources of supply, or acts or inaction of government, the time of performance will be extended by a period equal to the length of time it takes to overcome the effect of the event. In addition, Siemens shall be entitled to be compensated by Buyer for reasonable and direct additional costs incurred during such event. Siemens will notify Buyer within a reasonable time after becoming aware of any such event. If there are force majeure delays exceeding 180 days in the aggregate, Siemens may terminate the Agreement pursuant to Article 4. For the avoidance of doubt, failure to pay shall not constitute a force majeure delay.

**6. BUYER'S REQUIREMENTS.** Siemens' performance is contingent upon Buyer timely complying with and fulfilling all of its obligations under this Agreement. These obligations include the Buyer supplying all necessary access to Equipment, where applicable, and all required "Third Party Parts" (parts, components, equipment or materials provided by Buyer or that exist in the Equipment which were not manufactured or supplied by Siemens or which were originally supplied by Siemens and subsequently repaired, serviced or otherwise altered by any party not affiliated with Siemens), documents, permits and approvals needed for Siemens to perform including, but not limited to, accurate technical information and data, drawing and document approvals, and all necessary commercial documentation. Buyer shall provide access to the Site as reasonably required by Siemens for the performance of the Services. Siemens may request a change order for an equitable adjustment in prices and times for performance, as well as to adjust for any additional costs or any delay resulting from the failure of Buyer, Buyer's contractors, successors or assigns to meet these obligations or any other obligations in this Agreement.

Buyer shall also maintain the Site in a safe condition, notify Siemens promptly of any site conditions requiring special care, and provide Siemens with any available documents describing the quantity, nature, location and extent of such conditions, including any Material Safety Data Sheets (MSDS) related to all hazardous materials at the Site which may impact the Services.

**7. INDEMNITY.** Siemens and Buyer (each as an "Indemnitor") shall indemnify, hold harmless and defend the other ("Indemnitee") from and against all third party claims alleging bodily injury, death or damage to a third party's tangible property, but only to the extent caused by the Indemnitor or its subcontractor's negligent acts or omissions. If the injury or damage is caused by the parties' joint or contributory negligence, the loss and/or expenses shall be borne by each party in proportion to its degree of negligence. No part of Buyer's Site or property of Buyer (or Site Owner) is considered third party property.

Indemnitee shall provide the Indemnitor with prompt written notice of any third party claims covered by this Article. Indemnitor has the unrestricted right to select and hire counsel, and the exclusive right to conduct the legal defense and/or settle the claim on the Indemnitee's behalf. Indemnitee shall not make any admission(s) which might be prejudicial to Indemnitor and shall not enter into a settlement without the express permission of Indemnitor.

**8. WARRANTY.** (a) Siemens warrants that it will perform the Services in a professional and workmanlike manner. If the Services fail to meet the warranty standards set forth in this Article 8(a) within ninety (90) days from completion of the Services ("Warranty Period"), and Buyer promptly reports such non-conformance to Siemens during the above mentioned Warranty Period, Siemens shall at its own expense re-perform the relevant Services or, in Siemens' sole discretion, refund Buyer the pro rata portion of the fees paid to Siemens under this Agreement allocable to the nonconforming Services (the "Warranty").

(b) Conditions to the Warranties. The Warranties are conditioned on: (i) no repairs, modifications or alterations being made to the Equipment other than by Siemens or its authorized representatives; (ii) Buyer handling, using, storing, installing, operating and maintaining the Equipment in compliance with any parameters or instructions in any specifications attached to, or incorporated into this Agreement, (iii) or in the absence of such conditions, parameters or instructions or to the extent not applicable, in accordance with the generally accepted industry standards applicable in the locale where the Services are being performed and having regard to the nature of the Services; (iv) Buyer discontinuing use of the Equipment after it

has, or should have had knowledge of any defect in the Equipment; (v) Buyer providing Siemens with reasonable access to operating and maintenance data as requested by Siemens, (which may include secure broadband connection). Without expense to Siemens, Buyer shall provide to Siemens and Siemens' subcontractors and their respective employees and agents on a twenty four (24) hours a day, seven (7) days a week basis, access to the Site, and each unit, including rights of way and easements required for safe access of such persons and equipment, as well as, to the extent applicable, online access to the Site, including to an installed remote monitoring system and to all units, as necessary to permit Siemens to perform the Services.; (vi) Equipment not having been subjected to accident (including force majeure), alteration, abuse or misuse; and (vii) Buyer not being in default of any payment obligation. Buyer shall provide, without cost to Siemens, access to the nonconformity by disassembling, removing, replacing and reinstalling any Equipment, materials or structures to the extent necessary to permit Siemens to perform its warranty obligations.

(c) Exclusions from Warranty Coverage. The Warranties do not apply to any Third Party Parts or Equipment or to services not performed by Siemens pursuant to this Agreement. Siemens will have no liability to Buyer under any legal theory for such Third Party Parts, Equipment, services or any related assignment of warranties.

(d) Warranty Notice. Buyer must provide written notice of any claims for breach of Warranty within the applicable Warranty Period. Additionally, absent written notice within the Warranty Period, any use of the Equipment after expiration of the Warranty Period is conclusive evidence that the Warranties have been satisfied.

(e) Remedies. Buyer's sole and exclusive remedies for breach of the Warranties are limited, at Siemens' discretion, to re-performance of the non-conforming portion of the Services, within a reasonable time period, or refund of all or part of the purchase price. The warranty on re-performed Services is limited to the remainder of the original Warranty Period. Unless Siemens agrees otherwise in writing, Buyer will be responsible for any costs associated with: (i) transportation to and from the Siemens factory or repair facility; and (ii) damage to Equipment components or parts resulting in whole or in part from non-compliance by the Buyer with Article 8(b) or from their deteriorated condition.

**(f) THE WARRANTIES IN THIS ARTICLE 8 ARE SIEMENS' SOLE AND EXCLUSIVE WARRANTIES AND ARE SUBJECT TO THE LIMITS OF LIABILITY IN ARTICLE 9 BELOW. SIEMENS MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, COURSE OF DEALING AND USAGE OF TRADE.**

**9. LIMITATION OF LIABILITY.** NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, SIEMENS IS NOT LIABLE, WHETHER BASED IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, INDEMNITY OR ANY OTHER LEGAL OR EQUITABLE THEORY, FOR: LOSS OF USE, REVENUE, SAVINGS, PROFIT, INTEREST, GOODWILL OR OPPORTUNITY, LOSS OF PRODUCTION, COSTS OF CAPITAL, COSTS OF REPLACEMENT OR SUBSTITUTE USE OR PERFORMANCE, LOSS OF INFORMATION AND DATA, LOSS OF POWER, VOLTAGE IRREGULARITIES OR FREQUENCY FLUCTUATION, CLAIMS ARISING FROM BUYER'S THIRD PARTY CONTRACTS, OR FOR ANY TYPE OF INDIRECT, SPECIAL, LIQUIDATED, PUNITIVE, EXEMPLARY, COLLATERAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OR FOR ANY OTHER LOSS OR COST OF A SIMILAR TYPE.

SIEMENS' MAXIMUM LIABILITY UNDER THIS AGREEMENT UNDER ANY THEORY OF RECOVERY, WHETHER BASED IN CONTRACT, IN TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), UNDER WARRANTY, INDEMNITY OR OTHERWISE, SHALL NOT EXCEED THE TOTAL PRICE PAID TO SIEMENS UNDER THIS AGREEMENT.

BUYER AGREES THAT THE EXCLUSIONS AND LIMITATIONS IN THIS ARTICLE 9 WILL PREVAIL OVER ANY CONFLICTING TERMS AND CONDITIONS IN THIS AGREEMENT AND MUST BE GIVEN FULL FORCE AND EFFECT WHETHER OR NOT ANY OR ALL SUCH REMEDIES ARE DETERMINED TO HAVE FAILED OF THEIR ESSENTIAL PURPOSE. THESE LIMITATIONS OF LIABILITY ARE EFFECTIVE EVEN IF SIEMENS HAS BEEN ADVISED BY BUYER OF THE POSSIBILITY OF SUCH DAMAGES. THE WAIVERS AND DISCLAIMERS OF LIABILITY, RELEASES FROM LIABILITY AND LIMITATIONS ON LIABILITY EXPRESSED IN THIS ARTICLE 9 EXTEND TO SIEMENS' AFFILIATES, PARTNERS, PRINCIPALS, SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES, SUBCONTRACTORS, AGENTS AND SUCCESSORS AND ASSIGNS OF SIEMENS.



FOR THE AVOIDANCE OF DOUBT, IN THE EVENT THAT PHYSICAL LOSS OR DAMAGE TO THE BUYER'S PROPERTY RESULTS FROM THE FAILURE OF A PORTION OF THE SERVICES TO CONFORM TO ITS RESPECTIVE WARRANTY DURING THE APPLICABLE WARRANTY PERIOD SIEMENS' LIABILITY SHALL IN NO CASE EXCEED SIEMENS' OBLIGATION TO PERFORM THE REMEDIES SPECIFIED IN ARTICLE 8, AS APPLICABLE, WHICH SIEMENS WOULD HAVE HAD TO PERFORM IF SUCH REMEDY HAD BEEN CARRIED OUT IMMEDIATELY PRIOR TO THE OCCURRENCE OF THE PHYSICAL LOSS OR DAMAGE.

## **10. INTELLECTUAL PROPERTY.**

Siemens will, at its own option and expense, defend or settle any suit or proceeding brought against Buyer based on an allegation that any processes performed by Siemens in connection with the Services constitutes an infringement of any Patent Cooperation Treaty ("PCT") country member's patent or misappropriation of a third party's trade secret or copyright in the country where the Buyer's Site is located. Buyer will promptly give Siemens written notice of the suit or proceeding and the authority, information, and assistance needed to defend the claims. Siemens shall have full and exclusive authority to defend and settle such claim and will pay the damages and costs awarded against Siemens in any suit or proceeding so defended. Buyer shall not make any admission(s) which might be prejudicial to Siemens and shall not enter into a settlement without Siemens' consent. If and to the extent any process performed by Siemens in connection with the Services as a result of any suit or proceeding so defended is held to constitute infringement or its use by Buyer is enjoined, Siemens will, at its option and expense, either: (i) procure for Buyer the right to continue using said process; (ii) replace it with substantially equivalent non-infringing process; or (iii) modify the process so it's use is non-infringing.

Siemens will have no duty or obligation under this Article 10 if the process is: (i) performed according to Buyer's design or instructions and compliance therewith has caused Siemens to deviate from its normal course of performance; (ii) modified by Buyer or its contractors after performance; or (iii) combined by Buyer or its contractors with devices, methods, systems or processes not furnished hereunder and by reason of said design, instruction, modification, or combination a suit is brought against Buyer. In addition, if by reason of such design, instruction, modification or combination, a suit or proceeding is brought against Siemens, Buyer must protect Siemens in the same manner and to the same extent that Siemens has agreed to protect Buyer under this Article 10.

THIS ARTICLE 10 IS AN EXCLUSIVE STATEMENT OF SIEMENS' DUTIES AND BUYER'S REMEDIES RELATING TO PATENTS, TRADE SECRETS AND COPYRIGHTS, AND DIRECT OR CONTRIBUTORY INFRINGEMENT THEREOF.

## **11. CONFIDENTIALITY.**

(a) Both during and after the term of this Agreement, the parties will treat as confidential all information obtained from the disclosing party and all information compiled or generated by the disclosing party under this Agreement for the receiving party, including but not limited to business information, the quotation, the Agreement, processes and procedures, know-how, methods and techniques employed by Siemens in connection with the Services, technical data, drawings, flow charts, program listings, software code, and other software, plans and projections. Neither party may disclose or refer to the Services to be performed under this Agreement in any manner that identifies the other party without advance written permission. Except for security surveillance, the observing or recording of the Services or any part thereof, whether by photographic, video or audio devices or in any other manner is prohibited. In the event any such prohibited observation or recording occurs, Siemens may (in addition to any other legal or equitable rights and remedies) stop the Services until Siemens has satisfied itself that the prohibited conduct has ceased, and in such event (a) the date of delivery or time for performance will be extended by a period of time which Siemens determines necessary and (b) Buyer will reimburse Siemens for Siemens' and its Suppliers' additional costs and expenses resulting from such delay, including but not limited to any for demobilization or remobilization. Unless required by appropriate governmental authorities, neither party shall, without the prior written consent of the other party, issue any public statement, press release, publicity hand-out or other material relating to the Services performed on Buyer's Site or Equipment. However, Siemens has the right to share confidential information with its affiliates, agents and contractors provided those recipients have executed a written non-disclosure agreement no less stringent than Article 11 in its entirety.

(b) Nothing in this Agreement requires a party to treat as confidential any information which: (i) is or becomes generally known to the public, without the fault of the receiving party; (ii) is disclosed to the receiving party, without obligation of confidentiality, by a third party having the right to make such disclosure; (iii) was previously known to the receiving party, without obligation of confidentiality, which fact can be demonstrated by means of documents which are in the possession

of the receiving party upon the date of this Agreement; or (iv) was independently developed by receiving party or its representatives, as evidenced by written records, without the use of discloser's confidential information, or (v) is required to be disclosed by law, except to the extent eligible for special treatment under an appropriate protective order, provided that the party required to disclose by law will promptly advise the originating party of any requirement to make such disclosure to allow the originating party the opportunity to obtain a protective order and assist the originating party in so doing.

(c) It is Siemens' policy not to unlawfully or improperly receive or use confidential information, including trade secrets, belonging to others. This policy precludes Siemens from obtaining, directly or indirectly from any employee, contractor, or other individual rendering services to Siemens confidential information of a prior employer, client or any other person which such employee, contractor, or individual is under an obligation not to disclose. Buyer agrees to abide by this policy.

(d) Siemens shall retain all intellectual property rights in the Services, works, Siemens' documents, processes, Siemens' confidential information, and any design information and/or documents made by (or on behalf of) Siemens. Upon receipt of all fees, expenses and taxes due in respect of the relevant Services, Siemens grants to the Buyer a non-transferable, non-exclusive, royalty-free license to copy, use and communicate Siemens' documents for the sole purpose of operation and maintenance of the facility upon which the Services have been performed.

**12. COMPLIANCE WITH LAWS.** The parties agree to comply with all applicable laws and regulations.

**13. CHANGES IN SERVICES.** No change will be made to the scope of Services unless Buyer and Siemens agree in writing to the change and any resulting price, schedule or other contractual modifications. If any change to any law, rule, regulation, order, code, standard or requirement impacts Siemens' obligations or performance under this Agreement, Siemens shall be entitled to a change order for an equitable adjustment in the price and time of performance.

**14. NON-WAIVER.** Any waiver by a party of strict compliance with this Agreement must be in writing, and any failure by the parties to require strict compliance in one instance will not waive its right to insist on strict compliance thereafter.

**15. MODIFICATION OF TERMS.** These terms may only be modified by a written instrument signed by authorized representatives of both parties.

**16. ASSIGNMENT.** Neither party may assign all or part of this Agreement, or any rights or obligations under this Agreement without the prior written consent of the other; but either party may assign its rights and obligations, without recourse or consent to, any parent, wholly owned subsidiary or affiliate or affiliate's successor organization (whether as a result of reorganization, restructuring or sale of substantially all of a party's assets). However, Buyer shall not assign this Agreement to a competitor of Siemens; an entity in litigation with Siemens; or an entity lacking the financial capability to satisfy Buyer's obligations. Any assignee expressly assumes the performance of any obligation assigned. Siemens may grant a security interest in this Agreement and/or assign proceeds of this Agreement without Buyer's consent.

**17. APPLICABLE LAW AND JURISDICTION.** This Agreement is governed by and construed in accordance with the laws of the State of Delaware, without regard to its conflict of laws principles. The application of the United Nations Convention on Contracts for the International Sale of Goods is excluded. BOTH SIEMENS AND BUYER KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVE ALL RIGHTS TO A JURY TRIAL IN ANY ACTION OR PROCEEDING RELATED IN ANY WAY TO THIS AGREEMENT. Each party agrees that claims and disputes arising out of this Agreement must be decided exclusively in a federal or state court of competent jurisdiction located in a state in which either Buyer or Siemens maintains its principal place of business. Each party submits to the personal jurisdiction of such courts for the purpose of litigating any claims or disputes.

**18. SEVERABILITY.** If any provision of this Agreement is held invalid, illegal or unenforceable, the remaining provisions will not in any way be affected or impaired. A court may modify the invalid, illegal or unenforceable provision to reflect, as closely as possible, the parties' original intent.

**19. EXPORT/IMPORT COMPLIANCE.** Buyer acknowledges that Siemens is required to comply with applicable export/import laws and regulations relating to the sale, export, import, transfer, assignment, disposal and use of goods or information provided in the performance of the Services, including any export/import license requirements. Buyer agrees that such goods or information shall not at any time directly or indirectly be used, exported, imported, sold, transferred, assigned or

otherwise disposed of in a manner which will result in non-compliance with any export/import laws and regulations. Siemens' continuing performance hereunder is conditioned on compliance with such export/import laws and regulations at all times.

**20. NUCLEAR.** In the event the Services provided under the Agreement are to be performed at or in any manner in connection with a nuclear installation, the following conditions shall apply:

**A. Buyer's Insurance**

(1) If Buyer procures property damage insurance applicable to occurrences at the Site and third party non-nuclear liability insurance, or either of such types of insurance, such insurance will name Siemens and its subcontractors as additional insureds.

(2) Buyer shall have at its own cost, prior to the arrival of nuclear fuel at the Site, secured and shall thereafter maintain in force protection against liability arising out of or resulting from a Nuclear Incident (as defined in the Atomic Energy Act of 1954, as amended) as required by the Nuclear Regulatory Commission; provided, however, that if the nuclear liability protection system in effect on the date of the Agreement expires or is repealed, changed, or modified, Buyer will, without cost to Siemens, maintain liability protection through government indemnity, limitation of liability, and/or liability insurance which will not result in a material impairment of the protection afforded Siemens and its subcontractors by such nuclear liability protection system which is in effect as of the date of the Agreement, taking into account the availability of insurance, customary practice in the industry for plants of similar size and character, and other relevant factors in light of then existing conditions. In any event, the protection provided pursuant to this Article shall remain in effect until the decommissioning of the nuclear plant.

**B. Waivers by Buyer:** Neither Siemens, nor its subcontractors shall be liable for any loss of, damage to, or loss of use of property or equipment wherever located, arising out of or resulting from a "Nuclear Incident." Buyer waives and will require its insurers to waive all rights of recovery against Siemens and its subcontractors on account of any such loss, damage, or loss of use. All such waivers shall be full and unrestricted and in a form acceptable to Siemens.

In the event Buyer recovers damages from a third party based on losses at the Site resulting from the hazardous properties of source, special nuclear or byproduct material (as defined in the Atomic Energy Act of 1954, as amended), Buyer shall defend, indemnify and hold Siemens and its subcontractors harmless against claims by such third party which are based on Buyer's recovery of such damages. In addition, Buyer waives and will require its insurers to waive all rights of recovery against Siemens and its subcontractors, for any and all costs or expenses arising out of or in connection with the investigation and settlement of claims or the defense of suits for damage resulting from the nuclear energy hazard.

**C. Third Party Property Protection:** Buyer will indemnify and hold Siemens and its subcontractors harmless for any liability arising out of loss of or damage to property at the Site which arises out of a Nuclear Incident. In addition, Buyer shall obtain for the benefit of Siemens and its subcontractors, protection against liability for, arising out of, or resulting from damage to any property or equipment located at the Site which is used or intended for use by Buyer in connection with the operation of the nuclear power plant (including but not limited to fuel) and which is owned by parties other than Buyer.

**D. Decontamination:** Buyer shall, without cost to Siemens, perform any required decontamination and health physics necessary for, related to or resulting from Siemens performance of its contractual obligations. This includes but is not limited to decontamination of any Siemens equipment or tools used in the performance thereof. Buyer shall provide documentation demonstrating that components or parts being returned to Siemens after such decontamination meet the requirements designated for unrestricted release as set forth in the United States Code of Federal Regulations, Title 10 Part 20.

**21. SURVIVAL.** The Articles entitled "Intellectual Property," "Limitation of Liability," "Indemnity," "Confidentiality," "Risk of Loss and Schedule," "Export/Import Compliance," and "Nuclear" survive any termination, expiration or cancellation of this Agreement.

**22. SITE SAFETY.** Buyer shall comply with all federal, state, and local safety regulations and standards applicable to the Site and to the Equipment on which Siemens will perform the Services. Siemens shall not be obligated to commence or perform Services unless Buyer's Site complies with all applicable safety requirements. In the event Buyer's Site safety is non-compliant, Siemens may suspend the Services until such time as Buyer corrects the non-compliance. To the extent Siemens incurs

additional time and expense as the result of Buyer's non-compliance, Siemens shall be entitled to an equitable adjustment in the schedule, price and other affected provisions of the Agreement.

**23. ENVIRONMENTAL COMPLIANCE.** To the extent that the performance of Services at the Site may involve the generation of hazardous waste as such term is defined in the Resource Conservation and Recovery Act (42 U.S.C. 6901, et seq.), the laws of the state in which the Site is located and the rules or regulations issued thereunder as are now in effect or hereafter amended from time to time (such generated hazardous waste being herein referred to as "Hazardous Waste") shall apply.

Buyer shall at its expense and in accordance with all applicable federal, state and local laws, rules, regulations and ordinances (i) furnish Siemens with containers for Hazardous Waste, (ii) designate a storage area at the Site proximate to the Services where such containers are to be placed; and (iii) handle, store and dispose of Hazardous Waste. Buyer shall reimburse Siemens for additional costs, if any, incurred in complying with any such laws, regulations, rules and/or ordinances.

Siemens shall have no responsibility or liability with regard to any Hazardous Waste which it does not know or have reason to know will be generated or released in the performance of the Services, and Buyer shall indemnify and hold Siemens harmless for all damages, losses, costs, liabilities, fines and penalties, (including reasonable attorneys' fees) related to pollution and environmental impairment arising from the Buyer's property, the Equipment or the Services.

#### **24. ASBESTOS**

The terms "Asbestos" and "Presumed Asbestos Containing Material" shall have the meanings set forth in United States Code of Federal Regulations Chapter 29 Section CFR 1926.1101 et seq., and "ACM" shall mean Asbestos and Asbestos containing materials.

(1) The Buyer warrants and represents that, in any areas which may be accessed by Siemens or its Suppliers, any ACM which is or is contained in thermal insulation or sprayed-on surfacing material is conspicuously and specifically marked as ACM, and any other ACM is in a lawful condition.

(2) Prior to Siemens' commencement of Services at any Site:

(a) The Buyer shall, at Buyer's expense remove all thermal insulation, sprayed-on surfacing material, and/or Presumed Asbestos Containing Material (any or all of the foregoing hereinafter "PACM"), and ACM which may be disturbed during or removal of which is required for the performance of the Services; and,

(b) The Buyer shall ensure that any areas where any activities involving the abatement or removal of PACM or ACM shall be conspicuously identified, posted and isolated, all as required by applicable law.

BUYER EXPRESSLY ACKNOWLEDGES AND AGREES THAT, IN PERFORMING THE SERVICES AND DISPATCHING EMPLOYEES TO WORK AREAS, SIEMENS IS RELYING UPON THE AGREEMENTS, WARRANTIES, AND REPRESENTATIONS MADE BY BUYER IN THIS ARTICLE 24. Without limiting its other rights and remedies, Siemens (i) shall not be obligated to commence, and may stop any affected Services, unless and until it is fully satisfied that the Buyer is in compliance with this Article 24, and (ii) shall be entitled to an equitable adjustment in the schedule, price and other provisions of the Agreement resulting from Buyer's non-compliance.

(3) In no event shall Siemens be obligated to install, disturb, handle, or remove any PACM.

(4) Siemens makes no representation that it is licensed to abate ACM.

(5) Buyer shall defend, indemnify and hold Siemens harmless against any and all claims, demands, damages, losses, liabilities, fines, penalties, costs or expenses, including without limitation any clean up or remedial measures arising out of, connected with, or resulting from the Buyer's failure to comply with the provisions of this Article 24.

#### **25. THIRD PARTY PARTS**

Buyer warrants that any and all Third Party Parts which may be the subject of any Services shall (a) be fully compatible with the corresponding part, component, equipment or material of the Original Equipment Manufacturer ("OEM") in terms of form, fit, and function; (b) shall be timely provided to Siemens hereunder; and (c) shall be capable of installation in the same manner and within the same time as the corresponding OEM part, component, equipment, or material.



**Metropolitan  
Transit  
System**

**DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 9/3/2026**

**Agenda Item No. 14**

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

**September 17, 2026**

**SUBJECT:**

**Bus Parts Supplies - Contract Amendment**

**AGENDA ITEM WILL  
BE PROVIDED  
BEFORE BOARD  
MEETING**







**Metropolitan  
Transit  
System**

**DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 9/3/2026**

## **Agenda Item No. 15**

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
BOARD OF DIRECTORS

September 17, 2026

**SUBJECT:**

Investment Report – Quarter Ending June 30, 2026

**INFORMATIONAL ONLY**

Budget Impact

None.

**DISCUSSION:**

Attachment A comprises a report of the San Diego Metropolitan Transit System (MTS) investments as of June 30, 2026. The combined total of all investments has decreased quarter to quarter from \$437.3M to \$406.5M. This \$30.8M decrease is primarily attributable to \$17.6 million in capital expenditures as well as normal timing differences between other payments and receipts for both capital and operations.

The first column provides details about investments restricted for Capital Improvement Projects (CIP), SB125 funded operations, and PRONTO Stored Value.

The second column, unrestricted investments, reports the working capital for MTS operations allowing payments for employee payroll and vendors' goods and services.

MTS remains in compliance with Board Policy 30 and is able to meet expenditure requirements for a minimum of the next six months as required.

/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. Investment Report for the Quarter Ending June 30, 2026

**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 multiple cities in San Diego County.



**San Diego Metropolitan Transit System  
Investment Report  
June 30, 2026**

| <b>Institution / Issuer</b>                      | <b>Function</b>                | <b>Investment Type</b> | <b>Restricted</b>     | <b>Unrestricted</b>   | <b>Total</b>          | <b>Avg. Rate of Return</b> | <b>Benchmark</b>                   |
|--------------------------------------------------|--------------------------------|------------------------|-----------------------|-----------------------|-----------------------|----------------------------|------------------------------------|
| J.P. Morgan Chase                                | Operating Funds                | Depository Bank        | -                     | 36,902,076            | 36,902,076            | 1.40%                      | * 0.440% WSJ Money Market          |
| American Business Bank - Retention Trust Account | Restricted for Capital Support | Depository Bank        | 308,589               | -                     | 308,589               | N/A                        | ** -                               |
| Local Agency Investment Fund (LAIF)              | Restricted (Stored Value)      | Investment Pool        | 9,841,450             | -                     | 9,841,450             | 3.816%                     | 3.595% S&P US T-Bill 0-3 Mth Index |
| San Diego County Treasurer's Office              | State Grant Funds              | Investment Pool        | 201,037,365           | -                     | 201,037,365           | 3.960%                     | 3.595% S&P US T-Bill 0-3 Mth Index |
| <b>Subtotal: Restricted</b>                      |                                |                        | <b>211,187,404</b>    | <b>-</b>              | <b>211,187,404</b>    |                            |                                    |
| Local Agency Investment Fund (LAIF)              | Investment of Surplus Funds    | Investment Pool        | -                     | 68,210,616            | 68,210,616            | 3.816%                     | 3.595% S&P US T-Bill 0-3 Mth Index |
| San Diego County Treasurer's Office              | Investment of Surplus Funds    | Investment Pool        | -                     | 90,157,493            | 90,157,493            | 3.960%                     | 3.595% S&P US T-Bill 0-3 Mth Index |
| <b>Subtotal: Investment Surplus Funds</b>        |                                |                        | <b>-</b>              | <b>158,368,109</b>    | <b>158,368,109</b>    |                            |                                    |
| <b>Grand Total Cash and Investments</b>          |                                |                        | <b>\$ 211,187,404</b> | <b>\$ 195,270,185</b> | <b>\$ 406,457,589</b> |                            |                                    |

\*-The 1.40% is an annual percentage yield on the average daily balance that exceeds \$4.5 million

\*\* - Per trust agreement, interest earned on retention account is allocated to trust beneficiary (contractor)





**Metropolitan  
Transit  
System**

**DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 9/3/2026**

## **Agenda Item No. 16**

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
BOARD OF DIRECTORS

September 17, 2026

**SUBJECT:**

Fiscal Year (FY) 2025-26 and FY 2026-27 California Senate Bill (SB) 1 State of Good Repair (SGR) Funding

**RECOMMENDATION:**

That the San Diego Metropolitan Transit System (MTS) Board of Directors approve Resolution No. 26-15 (in substantially the same format as Attachment A) in order to:

- 1) Approve the revised FY 2025-26 SB1 SGR funding to bring the total allocation to \$5,754,706 to be used for the FY 2026 Bus Procurement Project as approved in the FY 2027 Capital Improvement Program (CIP); and
- 2) Authorize the use of, and application for, \$6,005,661 in FY 2026-27 SB1 SGR funding to be used for the Orange Line Improvement Project - Phase 2.

**Budget Impact**

The actual FY 2025-26 SB1 SGR funding came in at \$5,754,706, which is \$22,347 lower than the original estimate of \$5,777,053. The State Controller's Office estimates that MTS will receive \$6,005,661 in FY 2026-27 SB1 SGR funding. There are no matching requirements.

**DISCUSSION:**

**SB 1 SGR Funding Program**

The Road Repair and Accountability Act of 2017, Senate Bill (SB) 1 (Chapter 5, Statutes of 2017), signed by the Governor on April 28, 2017, includes a program that provides additional revenues for transit infrastructure repair and service improvements. This investment in public transit is referred to as the SGR Program. This program provides funding of approximately \$105 million annually to the State Transit Assistance (STA) Account. These funds are to be made available for eligible transit maintenance, rehabilitation, and capital projects.

The SGR Program is funded from a portion of a Transportation Improvement Fee on vehicle registrations due on or after January 1, 2018. A portion of this fee is transferred to the State Controller's Office (SCO) for the SGR Program. These funds are allocated under the STA Program formula to eligible agencies pursuant to Public Utilities Code (PUC) section 99312.1. Half is allocated based on population and half according to transit operator revenues. The SGR



funding program requires agencies to agree to comply with all conditions and requirements set forth in the SGR Program Recipient Certifications and Assurances. The SGR program also requires that each agency's governing body authorize the Chief Executive Officer or designated representative to execute all required documents of the SGR program.

### **FY 2025-26 SGR Funding Allocation**

In August 2025, SCO published an estimated FY 2025-26 SB1 SGR funding amount of \$5,777,053. In August 2026, SCO published a final updated disbursement total of \$5,754,706. This updated amount is a reduction of \$22,347 from the original estimate, and the revised funding amount for FY 2025-26 SB1 SGR funding of \$5,754,706 will be disbursed to MTS.

MTS staff identified the FY 2026 Bus Procurement Projects as a project meeting the SGR funding requirements. The projects will replace fifty 40-foot compressed natural gas buses that reached the end of their useful life in FY 2026. The Board approved a contract with New Flyer, Inc. on July 14, 2022 (Agenda Item 30) for the overall purchase of replacement vehicles. The total budget for this procurement is currently estimated at \$70 million. MTS has identified a combination of Federal, State and local funding to fund this project, including this FY 2025-26 SGR funding allocation.

### **FY 2026-27 SGR Funding Allocation**

MTS's estimated allocation of SGR funding for FY 2026-27 is \$6,005,661. MTS staff has identified the construction phase for the Orange Line Improvement Project – Phase 2 as an eligible project for this funding. The Orange Line Improvement Project will improve the Orange Line between the 32<sup>nd</sup> & Commercial Street Station and the El Cajon Transit Center. Phase 2 of the project is focused on stations between Massachusetts Avenue Station and the El Cajon Transit Center. Improvements will modernize much of the aging infrastructure along the Orange Line including new tracks, signals, crossing gates, pedestrian crossings, and more.

### **Staff Recommendation**

Therefore, staff recommends that the MTS Board of Directors approve Resolution No. 26-15 in order to:

- 1) Approve the revised FY 2025-26 SB1 SGR funding to bring the total allocation to \$5,754,706 to be used for the FY 2026 Bus Procurement Project as approved in the FY 2027 Capital Improvement Program (CIP); and
- 2) Authorize the use of, and application for, \$6,005,661 in FY 2026-27 SB1 SGR funding to be used for the Orange Line Improvement Project - Phase 2.

/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. Resolution No. 26-15

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

RESOLUTION No. 26-15

Resolution Approving the Fiscal Year (FY) 2025-2026 and FY 2026-2027  
SB1 State of Good Repair Claim

WHEREAS the San Diego Metropolitan Transit System (MTS) is an eligible project sponsor and may receive State Transit Assistance (STA) funding from the State of Good Repair Account (SGR) for transit projects; and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 1 (2017) named the Department of Transportation (Caltrans) as the administrative agency for the SB1-SGR program; and

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing SGR funds to eligible project sponsors (local agencies); and

WHEREAS, MTS wishes to delegate authorization to execute these documents and any amendments there to the Chief Executive Officer; and

WHEREAS, in order to qualify for the SB1-SGR funding allocation, MTS is required to submit a proposed project list to Caltrans on an annual basis and for FY 2026-2027, MTS proposes to include the funds towards the Orange Line Improvement Project – Phase 2; and

WHEREAS, MTS wishes to authorize the use of, and application for, \$6,005,661 in FY 2026-2027 SB1-SGR funding to be used towards the Orange Line Improvement Project – Phase 2; and

WHEREAS, MTS wishes to revise the original funding budget estimate of \$5,777,053 in FY 2025-2026 SB1-SGR funding to actual disbursement in the amount of \$5,754,706, a reduction of \$22,347, to be used for a FY26 Bus Procurement Project; and

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED that the MTS Board does hereby direct and empower MTS staff to prepare and transmit allocation instructions to the County Auditor to disburse to MTS the FY 2026-2027 SGR amounts totaling \$6,005,661 for the Orange Line Improvement Project – Phase 2, and disburse to MTS the FY 2025-2026 SGR amount totaling \$5,754,706 to be used for the FY26 Bus Procurement Project.

PASSED AND ADOPTED, by the Board of Directors this 17<sup>th</sup> day of September 2026, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

\_\_\_\_\_  
Chairperson  
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

\_\_\_\_\_  
Clerk of the Board  
San Diego Metropolitan Transit System

\_\_\_\_\_  
Office of the General Counsel  
San Diego Metropolitan Transit System

Resolution No. 26-15



**DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 9/3/2026**

## **Agenda Item No. 17**

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

**September 17, 2026**

**SUBJECT:**

**Fiscal Year (FY) 2025-26 and FY 2026-27 State Transit Assistance (STA) Claim and STA Interest Claim**

**RECOMMENDATION:**

That the San Diego Metropolitan Transit System (MTS) Board of Directors approve Resolution No. 26-16 (in substantially the same format as Attachment A) in order to:

- 1) Approve the revised FY 2025-26 STA funding to bring the total allocation to \$31,548,749; and;
- 2) Authorize the use of, and application for \$41,569,127 in FY 2026-27 STA funding to be used for the FY 2027 operating and capital projects.

**Budget Impact**

The actual FY 2025-26 STA funding came in at \$31,548,749, which is \$1,761,991 lower than the original estimate of \$33,310,740. The State Controller's Office (SCO) estimates that MTS will receive \$41,569,127 in FY 2026-27 STA funds for MTS to be utilized in the FY 2027 operating and capital budgets. There are no matching requirements.

**DISCUSSION:**

STA funding comes from the Public Transportation Act (PTA), which derives its revenue from the state sales tax on diesel fuel. STA revenues are pooled at the state level for the purposes of sections 99313 and 99314 of the California Public Utilities Code (PUC). The revenues for sections 99313 and 99314 are then allocated to transportation entities on a quarterly basis. PUC section 99313 allocations are based on the latest available annual population estimates from the Department of Finance. PUC section 99314 allocations are based primarily on qualifying revenues from the Annual Report of Financial Transactions of Transit Operators and Non-Transit Claimants under the Transportation Development Act.



The SCO projects total sales tax revenues for the coming fiscal year and the resulting STA revenue pool. It then estimates the allocation to each transportation entity.

For FY 2025-26, SCO originally estimated MTS's STA allocation at \$33,310,740. Based on this estimate, on October 16, 2025 (Agenda Item (AI) 10), the Board adopted Resolution No. 25-11 seeking STA funds in this amount. However, the actual FY 2025-26 STA funding came in at \$31,548,749, which is \$1,761,991 lower than the original estimate. Today's proposed action, adopting Resolution No. 26-16, would revise our formal STA claim to match the actual FY 2025-26 allocation from the SCO.

For FY 2026-27, the SCO projects MTS will receive STA funding of \$41,569,127 (Attachment B). Proposed Resolution No. 26-16 would also include authorization to seek this amount in FY 2026-27 STA funding.

State law and MTS Policy No. 20 (Allocation of State Transit Assistance Funds) requires that priority consideration be given to STA claims for the following purposes:

- To enhance existing public transportation services;
- To meet priority regional, county, or area-wide public transportation needs; and
- To offset reductions in federal operating assistance and unanticipated increases in fuel costs.

STA revenues have been volatile in the past, and for that reason, the MTS Board has taken a conservative approach to use and programming these funds. Typically, the majority of these revenues are directed into the MTS Capital Improvement Program (CIP). For FY 2027, the MTS Board of Directors have approved \$18.8M into the FY 2027 CIP, and the balance is earmarked for the FY 2027 Operating Budget.

Since these STA revenue allocations are based on sales tax revenue projections, in certain instances, it may be necessary to revise the original STA claim. MTS will claim up to the amount authorized by the attached Board resolution (Attachment A), and any revisions over the amount of this claim will come back to the MTS Board for approval. Additionally, how to use the un-programmed amount will be discussed with the Joint Executive Committee and Budget Development Committee and the MTS Board at future meetings.

Therefore, staff recommends that the MTS Board of Directors approve Resolution No. 26-16 in order to:

- 1) Approve the revised FY 2025-26 STA funding to bring the total allocation to \$31,548,749; and;
- 2) Authorize the use of, and application for \$41,569,127 in FY 2026-27 STA funding to be used for the FY 2027 operating and capital projects.

/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. MTS Resolution No. 26-16  
B. Letter from State Controller's Office for STA Allocation

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Resolution No. 26-16

Resolution Approving the Fiscal Year (FY) 2025-2026 and FY 2026-2027  
SB1 State Transit Assistance Claim

WHEREAS, California Public Utilities Code (PUC) Sections 99313.3 and 99313.6 established a State Transit Assistance (STA) fund and grants the San Diego Metropolitan Transit System (MTS) authority to allocate monies from this fund; and

WHEREAS, MTS, through its various operating entities and divisions, including San Diego Transit Corporation (SDTC), San Diego Trolley, Inc. (SDTI), MTS Contracted Services (collectively referred to as "MTS"), and other operators on the basis of revenue generated, qualifies for STA monies under the provision of PUC Section 99260 et seq.; and

WHEREAS, the State Controller's Office has informed MTS that its eligible STA allocation for Fiscal year 2026-27 is \$41,569,127; and

WHEREAS, MTS wishes to revise the original funding budget estimate of \$33,310,740 in FY 2025-2026 STA funding to actual disbursement in the amount of \$31,548,749, a reduction of \$1,761,991, to be used for the FY 2026 operating and capital projects; and

WHEREAS, the claimants' proposed expenditures of STA monies are in conformance with the *Regional Transportation Plan* and *Transportation Improvement Program*; and

WHEREAS MTS is making full use of federal funds available under the Urban Mass Transportation Act of 1964, as amended; and

WHEREAS, the sum of MTS' allocations of STA and local transportations funds do not exceed the amounts they are eligible to receive during the fiscal year; and

WHEREAS, priority consideration has been given to claims to offset reductions in federal operating assistance and the unanticipated increase in the cost of fuel, to enhance existing public transportation services, and to meet high-priority, area-wide public transportation needs; and

WHEREAS, in the last thirteen months, MTS has received a certification from the California Highway patrol verifying that MTS is in compliance with section 1808.1 of the Vehicle Code, as required in PUC section 99251; and

WHEREAS the level of passenger fares and charges is sufficient to enable MTS to meet the fare revenue requirements of the PUC sections 99268.2, 99268.3, 99268.5, and 99268.9 as they may be applicable to MTS (Assembly Bill No. 149 passed the California State Assembly, which continued the statutory relief for transit agencies from fare revenue requirements for fiscal years 2021-2022 through 2025-2026); and

WHEREAS, MTS has ensured operators are in compliance with the efficiency standards of PUC section 99314.6 prior to the allocation of funding for operating purposes (Senate Bill No. 169 (2026) extended the COVID-era statutory relief for transit agencies from efficiency standards through 2026-2027);



NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED that the MTS Board does hereby direct and empower MTS staff to prepare and transmit allocation instructions to the County Auditor to disburse to MTS the FY 2026-2027 STA amounts totaling \$41,569,127 for the FY 2027 operating and capital projects, and disburse to MTS the FY 2025-2026 STA amount totaling \$31,548,749 to be used for the FY 2026 operating and capital projects.

PASSED AND ADOPTED by the Board of Directors this 17<sup>th</sup> day of September, 2026 by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

\_\_\_\_\_  
Chairperson  
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

\_\_\_\_\_  
Clerk of the Board  
San Diego Metropolitan Transit System

\_\_\_\_\_  
General Counsel  
San Diego Metropolitan Transit System

Resolution No. 26-16



MALIA M. COHEN  
CALIFORNIA STATE CONTROLLER

July 31, 2026

County Auditors Responsible for State Transit Assistance Funds  
Transportation Planning Agencies  
County Transportation Commissions  
San Diego Metropolitan Transit System

**SUBJECT: Fiscal Year 2026-27 State Transit Assistance Allocation Revised Estimate**

Enclosed is a revised summary schedule of State Transit Assistance (STA) funds estimated for Fiscal Year (FY) 2026-27 for each Transportation Planning Agency (TPA), county transportation commission, and the San Diego Metropolitan Transit System for the purposes of Public Utilities Code (PUC) sections 99313 and 99314. Also enclosed is a schedule detailing the amount of the PUC section 99314 allocation for each TPA by operator.

PUC section 99313 allocations are based on the latest available annual population estimates from the Department of Finance. PUC section 99314 allocations are based on the revenue amounts for each STA-eligible operator, determined from annual reports submitted to the Controller pursuant to PUC section 99243. Pursuant to PUC section 99314.3, each TPA is required to allocate funds to the STA-eligible operators in the area of its jurisdiction.

According to the FY 2026-27 enacted California Budget, the estimated amount of STA funds budgeted is \$973,725,000. SCO anticipates the first quarter's allocation will be paid by November 30, 2026. Please refer to the schedule for the amounts that relate to your agency.

Please contact Lucas Rasmussen by telephone at (916) 323-1374 or email at [LRasmussen@sco.ca.gov](mailto:LRasmussen@sco.ca.gov) with any questions, or for additional information. Thank you.

Sincerely,

**Melma Dizon**

Digitally signed by Melma Dizon  
Date: 2026.07.31 16:15:18 -07'00'

MELMA DIZON  
Manager, Local Apportionments Section

Enclosures: 2026-27 State Transit Assistance Allocation Estimate Summary and 2026-27 State Transit Allocation Estimate PUC 99314 Allocation Detail

Local Government Programs and Services Division  
Mailing Address P.O. Box 942850, Sacramento, CA 94250  
3301 C Street, Suite 740, Sacramento, CA 95816

**STATE CONTROLLER'S OFFICE  
STATE TRANSIT ASSISTANCE ALLOCATION SUMMARY  
FISCAL YEAR 2026-27 - AUGUST ESTIMATE  
JULY 31, 2026**

| Regional Entity                                          | PUC 99313 Allocation                 |    | PUC 99313 Allocation     |    | PUC 99314   | Total Allocation |
|----------------------------------------------------------|--------------------------------------|----|--------------------------|----|-------------|------------------|
|                                                          | RTC 7102(a)(3), 6051.8(a), 6201.8(a) |    | RTC 6051.8(b), 6201.8(b) |    | Allocation  |                  |
|                                                          | A                                    |    | B                        |    | C           | D = (A + B + C)  |
| Metropolitan Transportation Commission                   | \$ 51,863,742                        | \$ | 42,581,710               | \$ | 257,280,554 | \$ 351,726,006   |
| Sacramento Area Council of Governments                   | 13,801,491                           |    | 11,331,444               |    | 9,119,034   | 34,251,969       |
| San Diego Association of Governments                     | 6,517,758                            |    | 5,351,278                |    | 3,632,814   | 15,501,850       |
| San Diego Metropolitan Transit System                    | 16,034,624                           |    | 13,164,914               |    | 12,369,589  | 41,569,127       |
| Tahoe Regional Planning Agency                           | 759,370                              |    | 623,466                  |    | 10,922      | 1,393,758        |
| Alpine County Transportation Commission                  | 7,989                                |    | 6,559                    |    | 444         | 14,992           |
| Amador County Transportation Commission                  | 267,558                              |    | 219,673                  |    | 16,069      | 503,300          |
| Butte County Association of Governments                  | 1,411,070                            |    | 1,158,532                |    | 119,815     | 2,689,417        |
| Calaveras County Local Transportation Commission         | 301,730                              |    | 247,730                  |    | 6,184       | 555,644          |
| Colusa County Local Transportation Commission            | 148,596                              |    | 122,002                  |    | 4,802       | 275,400          |
| Del Norte County Local Transportation Commission         | 177,879                              |    | 146,044                  |    | 10,161      | 334,084          |
| El Dorado County Local Transportation Commission         | 1,223,426                            |    | 1,004,470                |    | 94,142      | 2,322,038        |
| Fresno County Council of Governments                     | 7,034,896                            |    | 5,775,864                |    | 1,611,663   | 14,422,423       |
| Glenn County Local Transportation Commission             | 196,059                              |    | 160,970                  |    | 6,665       | 363,694          |
| Humboldt County Association of Governments               | 898,383                              |    | 737,600                  |    | 561,145     | 2,197,128        |
| Imperial County Transportation Commission                | 1,255,876                            |    | 1,031,113                |    | 79,574      | 2,366,563        |
| Inyo County Local Transportation Commission              | 126,830                              |    | 104,131                  |    | 0           | 230,961          |
| Kern Council of Governments                              | 6,262,654                            |    | 5,141,829                |    | 731,686     | 12,136,169       |
| Kings County Association of Governments                  | 1,038,368                            |    | 852,532                  |    | 188,258     | 2,079,158        |
| Lake County/City Council of Governments                  | 451,082                              |    | 370,352                  |    | 34,259      | 855,693          |
| Lassen County Local Transportation Commission            | 184,490                              |    | 151,472                  |    | 12,520      | 348,482          |
| Los Angeles County Metropolitan Transportation Authority | 66,435,520                           |    | 54,545,583               |    | 167,301,517 | 288,282,620      |
| Madera County Local Transportation Commission            | 1,123,820                            |    | 922,690                  |    | 58,011      | 2,104,521        |
| Mariposa County Local Transportation Commission          | 113,768                              |    | 93,407                   |    | 2,236       | 209,411          |
| Mendocino Council of Governments                         | 598,294                              |    | 491,218                  |    | 58,486      | 1,147,998        |
| Merced County Association of Governments                 | 1,986,551                            |    | 1,631,019                |    | 226,036     | 3,843,606        |
| Modoc County Local Transportation Commission             | 57,181                               |    | 46,948                   |    | 10,642      | 114,771          |
| Mono County Local Transportation Commission              | 84,296                               |    | 69,210                   |    | 272,140     | 425,646          |
| Transportation Agency for Monterey County                | 2,949,599                            |    | 2,421,710                |    | 1,605,916   | 6,977,225        |
| Nevada County Local Transportation Commission            | 675,229                              |    | 554,384                  |    | 181,114     | 1,410,727        |
| Orange County Transportation Authority                   | 21,365,830                           |    | 17,541,997               |    | 10,377,446  | 49,285,273       |
| Placer County Transportation Planning Agency             | 2,235,915                            |    | 1,835,754                |    | 679,748     | 4,751,417        |
| Plumas County Local Transportation Commission            | 124,743                              |    | 102,418                  |    | 400         | 227,561          |
| Riverside County Transportation Commission               | 16,929,685                           |    | 13,899,786               |    | 5,021,777   | 35,851,248       |
| Council of San Benito County Governments                 | 459,984                              |    | 377,660                  |    | 11,165      | 848,809          |
| San Bernardino County Transportation Authority           | 14,970,248                           |    | 12,291,029               |    | 5,440,859   | 32,702,136       |
| San Joaquin Council of Governments                       | 5,538,665                            |    | 4,547,412                |    | 2,032,203   | 12,118,280       |
| San Luis Obispo Area Council of Governments              | 1,885,844                            |    | 1,548,335                |    | 255,877     | 3,690,056        |
| Santa Barbara County Association of Governments          | 3,005,105                            |    | 2,467,283                |    | 1,047,276   | 6,519,664        |
| Santa Cruz County Transportation Commission              | 1,763,114                            |    | 1,447,570                |    | 3,365,685   | 6,576,369        |
| Shasta Regional Transportation Agency                    | 1,228,680                            |    | 1,008,784                |    | 84,569      | 2,322,033        |
| Sierra County Local Transportation Commission            | 21,294                               |    | 17,483                   |    | 858         | 39,635           |
| Siskiyou County Local Transportation Commission          | 291,431                              |    | 239,274                  |    | 40,680      | 571,385          |
| Stanislaus Council of Governments                        | 3,762,740                            |    | 3,089,324                |    | 276,387     | 7,128,451        |
| Tehama County Transportation Commission                  | 437,380                              |    | 359,102                  |    | 235,625     | 1,032,107        |
| Trinity County Transportation Commission                 | 107,001                              |    | 87,851                   |    | 3,105       | 197,957          |
| Tulare County Association of Governments                 | 3,306,552                            |    | 2,714,779                |    | 469,440     | 6,490,771        |
| Tuolumne County Transportation Council                   | 366,259                              |    | 300,710                  |    | 155,316     | 822,285          |
| Ventura County Transportation Commission                 | 5,566,901                            |    | 4,570,595                |    | 1,757,686   | 11,895,182       |
| Subtotals                                                | \$ 267,355,500                       | \$ | 219,507,000              |    |             |                  |
| State Totals                                             |                                      | \$ | 486,862,500              | \$ | 486,862,500 | \$ 973,725,000   |

**STATE CONTROLLER'S OFFICE  
STATE TRANSIT ASSISTANCE  
PUC 99314 ALLOCATION DETAIL  
FISCAL YEAR 2026-27 - AUGUST ESTIMATE  
JULY 31, 2026**

| Regional Entity and Operator(s)                                                                                          | Revenue<br>Basis | PUC 99314 Allocation<br>RTC 7102(a)(3), 6051.8(a),<br>6201.8(a) | PUC 99314 Allocation<br>RTC 6051.8(b),<br>6201.8(b) | Total<br>Allocation<br>C = (A + B) |
|--------------------------------------------------------------------------------------------------------------------------|------------------|-----------------------------------------------------------------|-----------------------------------------------------|------------------------------------|
|                                                                                                                          |                  | A                                                               | B                                                   |                                    |
| <b>Altamont Corridor Express*</b>                                                                                        |                  |                                                                 |                                                     |                                    |
| Alameda County Congestion Management Agency                                                                              | \$ NA            | \$ 136,665                                                      | \$ 112,206                                          | \$ 248,871                         |
| Santa Clara Valley Transportation Authority                                                                              | NA               | 100,700                                                         | 82,678                                              | 183,378                            |
| San Joaquin Regional Rail Commission                                                                                     | NA               | 481,923                                                         | 395,673                                             | 877,596                            |
| Regional Entity Totals                                                                                                   | 0                | 719,288                                                         | 590,557                                             | 1,309,845                          |
|                                                                                                                          | 0                | (719,288)                                                       | (590,557)                                           | (1,309,845)                        |
| <b>Metropolitan Transportation Commission</b>                                                                            |                  |                                                                 |                                                     |                                    |
| Alameda-Contra Costa Transit District, San Francisco Bay Area<br>Rapid Transit District, and the City of San Francisco** | 1,973,591,565    | 86,131,767                                                      | 70,716,802                                          | 156,848,569                        |
| Central Contra Costa Transit Authority                                                                                   | 16,695,001       | 728,606                                                         | 598,207                                             | 1,326,813                          |
| City of Dixon                                                                                                            | 94,157           | 4,109                                                           | 3,374                                               | 7,483                              |
| Eastern Contra Costa Transit Authority                                                                                   | 9,715,304        | 423,997                                                         | 348,114                                             | 772,111                            |
| City of Fairfield                                                                                                        | 379,458          | 16,560                                                          | 13,597                                              | 30,157                             |
| Golden Gate Bridge Highway and Transportation District                                                                   | 228,719,020      | 9,981,788                                                       | 8,195,352                                           | 18,177,140                         |
| Livermore-Amador Valley Transit Authority                                                                                | 7,975,047        | 348,048                                                         | 285,758                                             | 633,806                            |
| Marin County Transit District                                                                                            | 29,370,616       | 1,281,797                                                       | 1,052,394                                           | 2,334,191                          |
| Napa Valley Transportation Authority                                                                                     | 3,543,762        | 154,657                                                         | 126,978                                             | 281,635                            |
| Peninsula Corridor Joint Powers Board                                                                                    | 202,005,768      | 8,815,965                                                       | 7,238,175                                           | 16,054,140                         |
| City of Petaluma                                                                                                         | 1,014,250        | 44,264                                                          | 36,342                                              | 80,606                             |
| City of Rio Vista                                                                                                        | 14,149           | 617                                                             | 507                                                 | 1,124                              |
| San Francisco Bay Area Water Emergency Transportation Authority                                                          | 63,046,303       | 2,751,476                                                       | 2,259,045                                           | 5,010,521                          |
| San Mateo County Transit District                                                                                        | 134,663,601      | 5,877,008                                                       | 4,825,203                                           | 10,702,211                         |
| Santa Clara Valley Transportation Authority                                                                              | 490,753,694      | 21,417,543                                                      | 17,584,455                                          | 39,001,998                         |
| City of Santa Rosa                                                                                                       | 2,472,875        | 107,922                                                         | 88,607                                              | 196,529                            |
| Solano County Transit                                                                                                    | 5,093,352        | 222,285                                                         | 182,503                                             | 404,788                            |
| County of Sonoma                                                                                                         | 3,567,616        | 155,698                                                         | 127,833                                             | 283,531                            |
| Sonoma-Marín Area Rail Transit District                                                                                  | 45,747,786       | 1,996,531                                                       | 1,639,213                                           | 3,635,744                          |
| City of Union City                                                                                                       | 1,751,265        | 76,429                                                          | 62,751                                              | 139,180                            |
| City of Vacaville                                                                                                        | 1,296,002        | 56,560                                                          | 46,438                                              | 102,998                            |
| Western Contra Costa Transit Authority                                                                                   | 10,356,008       | 451,958                                                         | 371,072                                             | 823,030                            |
| Regional Entity Subtotals                                                                                                | 3,231,866,599    | 141,045,585                                                     | 115,802,720                                         | 256,848,305                        |
| Alameda County Congestion Management Agency -<br>Corresponding to ACE*                                                   | NA               | 136,665                                                         | 112,206                                             | 248,871                            |
| Santa Clara Valley Transportation Authority -<br>Corresponding to ACE*                                                   | NA               | 100,700                                                         | 82,678                                              | 183,378                            |
| Regional Entity Totals                                                                                                   | 3,231,866,599    | 141,282,950                                                     | 115,997,604                                         | 257,280,554                        |
| <b>Sacramento Area Council of Governments</b>                                                                            |                  |                                                                 |                                                     |                                    |
| City of Davis (Unitrans)                                                                                                 | 6,355,054        | 277,348                                                         | 227,711                                             | 505,059                            |
| County of Sacramento                                                                                                     | 1,158,346        | 50,553                                                          | 41,505                                              | 92,058                             |
| Sacramento Regional Transit System                                                                                       | 101,239,659      | 4,418,316                                                       | 3,627,572                                           | 8,045,888                          |
| West Sacramento                                                                                                          | 314,910          | 13,743                                                          | 11,284                                              | 25,027                             |
| Yolo County Transportation District                                                                                      | 4,385,074        | 191,374                                                         | 157,124                                             | 348,498                            |
| Yuba Sutter Transit Authority                                                                                            | 1,289,789        | 56,289                                                          | 46,215                                              | 102,504                            |
| Regional Entity Totals                                                                                                   | 114,742,832      | 5,007,623                                                       | 4,111,411                                           | 9,119,034                          |

\* The amounts allocated to the member agencies of Altamont Corridor Express are included with their corresponding transportation planning agency.

\*\* The amounts for Alameda-Contra Costa Transit District, San Francisco Bay Area Rapid Transit District, and the City of San Francisco are combined.

**STATE CONTROLLER'S OFFICE  
STATE TRANSIT ASSISTANCE  
PUC 99314 ALLOCATION DETAIL  
FISCAL YEAR 2026-27 - AUGUST ESTIMATE  
JULY 31, 2026**

| <b>Regional Entity and Operator(s)</b>                   | <b>Revenue<br/>Basis</b> | <b>PUC 99314 Allocation<br/>RTC 7102(a)(3), 6051.8(a),<br/>6201.8(a)</b> | <b>PUC 99314 Allocation<br/>RTC 6051.8(b),<br/>6201.8(b)</b> | <b>Total<br/>Allocation<br/>C = (A + B)</b> |
|----------------------------------------------------------|--------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------|
|                                                          |                          | <b>A</b>                                                                 | <b>B</b>                                                     |                                             |
| San Diego Association of Governments                     |                          |                                                                          |                                                              |                                             |
| North County Transit District                            | 45,710,915               | 1,994,922                                                                | 1,637,892                                                    | 3,632,814                                   |
| San Diego Metropolitan Transit System                    |                          |                                                                          |                                                              |                                             |
| San Diego Metropolitan Transit System                    | 35,652,830               | 1,555,966                                                                | 1,277,495                                                    | 2,833,461                                   |
| San Diego Transit Corporation                            | 63,516,587               | 2,772,000                                                                | 2,275,896                                                    | 5,047,896                                   |
| San Diego Trolley, Inc.                                  | 56,474,453               | 2,464,666                                                                | 2,023,566                                                    | 4,488,232                                   |
| Regional Entity Totals                                   | 155,643,870              | 6,792,632                                                                | 5,576,957                                                    | 12,369,589                                  |
| Southern California Regional Rail Authority***           |                          |                                                                          |                                                              |                                             |
| Los Angeles County Metropolitan Transportation Authority | NA                       | 7,021,533                                                                | 5,764,892                                                    | 12,786,425                                  |
| Orange County Transportation Authority                   | NA                       | 2,701,937                                                                | 2,218,372                                                    | 4,920,309                                   |
| Riverside County Transportation Commission               | NA                       | 1,465,457                                                                | 1,203,185                                                    | 2,668,642                                   |
| San Bernardino County Transportation Authority           | NA                       | 1,515,293                                                                | 1,244,102                                                    | 2,759,395                                   |
| Ventura County Transportation Commission                 | NA                       | 765,055                                                                  | 628,134                                                      | 1,393,189                                   |
| Regional Entity Totals                                   | 0                        | 13,469,275                                                               | 11,058,685                                                   | 24,527,960                                  |
|                                                          | 0                        | (13,469,275)                                                             | (11,058,685)                                                 | (24,527,960)                                |
| Tahoe Regional Planning Agency                           |                          |                                                                          |                                                              |                                             |
| Tahoe Transportation District                            | 137,433                  | 5,998                                                                    | 4,924                                                        | 10,922                                      |
| Alpine County Transportation Commission                  |                          |                                                                          |                                                              |                                             |
| County of Alpine                                         | 5,595                    | 244                                                                      | 200                                                          | 444                                         |
| Amador County Transportation Commission                  |                          |                                                                          |                                                              |                                             |
| Amador Transit                                           | 202,184                  | 8,824                                                                    | 7,245                                                        | 16,069                                      |
| Butte County Association of Governments                  |                          |                                                                          |                                                              |                                             |
| Butte Regional Transit                                   | 1,478,106                | 64,508                                                                   | 52,963                                                       | 117,471                                     |
| City of Gridley - Specialized Service                    | 29,496                   | 1,287                                                                    | 1,057                                                        | 2,344                                       |
| Regional Entity Totals                                   | 1,507,602                | 65,795                                                                   | 54,020                                                       | 119,815                                     |
| Calaveras County Local Transportation Commission         |                          |                                                                          |                                                              |                                             |
| Calaveras Transit Agency                                 | 77,805                   | 3,396                                                                    | 2,788                                                        | 6,184                                       |
| Colusa County Local Transportation Commission            |                          |                                                                          |                                                              |                                             |
| County of Colusa                                         | 60,432                   | 2,637                                                                    | 2,165                                                        | 4,802                                       |
| Del Norte County Local Transportation Commission         |                          |                                                                          |                                                              |                                             |
| Redwood Coast Transit Authority                          | 127,859                  | 5,580                                                                    | 4,581                                                        | 10,161                                      |
| El Dorado County Local Transportation Commission         |                          |                                                                          |                                                              |                                             |
| El Dorado County Transit Authority                       | 1,184,566                | 51,697                                                                   | 42,445                                                       | 94,142                                      |

\*\*\* The amounts allocated to the member agencies of Southern California Regional Rail Authority are included with their corresponding transportation planning agency.

**STATE CONTROLLER'S OFFICE  
STATE TRANSIT ASSISTANCE  
PUC 99314 ALLOCATION DETAIL  
FISCAL YEAR 2026-27 - AUGUST ESTIMATE  
JULY 31, 2026**

| <b>Regional Entity and Operator(s)</b>        | <b>Revenue<br/>Basis</b> | <b>PUC 99314 Allocation<br/>RTC 7102(a)(3), 6051.8(a),<br/>6201.8(a)</b> | <b>PUC 99314 Allocation<br/>RTC 6051.8(b),<br/>6201.8(b)</b> | <b>Total<br/>Allocation<br/>C = (A + B)</b> |
|-----------------------------------------------|--------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------|
|                                               |                          | <b>A</b>                                                                 | <b>B</b>                                                     |                                             |
| Fresno County Council of Governments          |                          |                                                                          |                                                              |                                             |
| City of Clovis                                | 2,572,033                | 112,249                                                                  | 92,160                                                       | 204,409                                     |
| City of Fresno                                | 15,422,542               | 673,073                                                                  | 552,613                                                      | 1,225,686                                   |
| Fresno County Rural Transit Agency            | 2,284,634                | 99,706                                                                   | 81,862                                                       | 181,568                                     |
| Regional Entity Totals                        | 20,279,209               | 885,028                                                                  | 726,635                                                      | 1,611,663                                   |
| Glenn County Local Transportation Commission  |                          |                                                                          |                                                              |                                             |
| County of Glenn Transit Service               | 83,874                   | 3,660                                                                    | 3,005                                                        | 6,665                                       |
| Humboldt County Association of Governments    |                          |                                                                          |                                                              |                                             |
| Humboldt Transit Authority                    | 7,060,767                | 308,147                                                                  | 252,998                                                      | 561,145                                     |
| Imperial County Transportation Commission     |                          |                                                                          |                                                              |                                             |
| Imperial County Transportation Commission     | 980,234                  | 42,780                                                                   | 35,123                                                       | 77,903                                      |
| Quechan Indian Tribe                          | 21,028                   | 918                                                                      | 753                                                          | 1,671                                       |
| Regional Entity Totals                        | 1,001,262                | 43,698                                                                   | 35,876                                                       | 79,574                                      |
| Inyo County Local Transportation Commission   | None                     | None                                                                     | None                                                         | None                                        |
| Kern Council of Governments                   |                          |                                                                          |                                                              |                                             |
| City of Arvin                                 | 51,212                   | 2,235                                                                    | 1,835                                                        | 4,070                                       |
| City of California City                       | 614                      | 27                                                                       | 22                                                           | 49                                          |
| City of Delano                                | 231,867                  | 10,119                                                                   | 8,308                                                        | 18,427                                      |
| Golden Empire Transit District                | 6,024,068                | 262,903                                                                  | 215,852                                                      | 478,755                                     |
| County of Kern                                | 1,461,488                | 63,782                                                                   | 52,367                                                       | 116,149                                     |
| City of McFarland                             | 0                        | 0                                                                        | 0                                                            | 0                                           |
| City of Ridgecrest                            | 293,664                  | 12,816                                                                   | 10,522                                                       | 23,338                                      |
| City of Shafter                               | 535,372                  | 23,365                                                                   | 19,183                                                       | 42,548                                      |
| City of Taft                                  | 584,375                  | 25,503                                                                   | 20,939                                                       | 46,442                                      |
| City of Tehachapi                             | 3,638                    | 159                                                                      | 130                                                          | 289                                         |
| City of Wasco                                 | 20,374                   | 889                                                                      | 730                                                          | 1,619                                       |
| Regional Entity Totals                        | 9,206,672                | 401,798                                                                  | 329,888                                                      | 731,686                                     |
| Kings County Association of Governments       |                          |                                                                          |                                                              |                                             |
| City of Corcoran                              | 198,578                  | 8,666                                                                    | 7,115                                                        | 15,781                                      |
| Kings County Area Public Transit Agency       | 2,170,251                | 94,714                                                                   | 77,763                                                       | 172,477                                     |
| Regional Entity Totals                        | 2,368,829                | 103,380                                                                  | 84,878                                                       | 188,258                                     |
| Lake County/City Council of Governments       |                          |                                                                          |                                                              |                                             |
| Lake Transit Authority                        | 431,081                  | 18,813                                                                   | 15,446                                                       | 34,259                                      |
| Lassen County Local Transportation Commission |                          |                                                                          |                                                              |                                             |
| Lassen Transit Service Agency                 | 157,532                  | 6,875                                                                    | 5,645                                                        | 12,520                                      |

**STATE CONTROLLER'S OFFICE  
STATE TRANSIT ASSISTANCE  
PUC 99314 ALLOCATION DETAIL  
FISCAL YEAR 2026-27 - AUGUST ESTIMATE  
JULY 31, 2026**

| Regional Entity and Operator(s)                                                          | Revenue<br>Basis | PUC 99314 Allocation<br>RTC 7102(a)(3), 6051.8(a),<br>6201.8(a)<br>A | PUC 99314 Allocation<br>RTC 6051.8(b),<br>6201.8(b)<br>B | Total<br>Allocation<br>C = (A + B) |
|------------------------------------------------------------------------------------------|------------------|----------------------------------------------------------------------|----------------------------------------------------------|------------------------------------|
| <b>Los Angeles County Metropolitan Transportation Authority</b>                          |                  |                                                                      |                                                          |                                    |
| Antelope Valley Transit Authority                                                        | 28,581,550       | 1,247,360                                                            | 1,024,121                                                | 2,271,481                          |
| City of Arcadia                                                                          | 2,191,873        | 95,658                                                               | 78,538                                                   | 174,196                            |
| City of Burbank                                                                          | 4,968,057        | 216,817                                                              | 178,013                                                  | 394,830                            |
| City of Claremont                                                                        | 384,163          | 16,766                                                               | 13,765                                                   | 30,531                             |
| City of Commerce                                                                         | 5,025,738        | 219,334                                                              | 180,080                                                  | 399,414                            |
| City of Culver City                                                                      | 18,661,737       | 814,438                                                              | 668,679                                                  | 1,483,117                          |
| Foothill Transit                                                                         | 68,786,695       | 3,001,999                                                            | 2,464,732                                                | 5,466,731                          |
| City of Gardena                                                                          | 19,072,737       | 832,375                                                              | 683,405                                                  | 1,515,780                          |
| City of Glendale                                                                         | 14,209,151       | 620,118                                                              | 509,136                                                  | 1,129,254                          |
| City of La Mirada                                                                        | 1,262,442        | 55,096                                                               | 45,235                                                   | 100,331                            |
| Long Beach Public Transportation Company                                                 | 73,685,203       | 3,215,780                                                            | 2,640,253                                                | 5,856,033                          |
| City of Los Angeles                                                                      | 165,931,791      | 7,241,619                                                            | 5,945,590                                                | 13,187,209                         |
| County of Los Angeles                                                                    | 4,941,937        | 215,677                                                              | 177,077                                                  | 392,754                            |
| Los Angeles County Metropolitan Transportation Authority                                 | 1,399,311,985    | 61,068,980                                                           | 50,139,485                                               | 111,208,465                        |
| City of Montebello                                                                       | 23,739,136       | 1,036,027                                                            | 850,610                                                  | 1,886,637                          |
| City of Norwalk                                                                          | 13,253,026       | 578,390                                                              | 474,876                                                  | 1,053,266                          |
| City of Pasadena                                                                         | 12,918,006       | 563,769                                                              | 462,872                                                  | 1,026,641                          |
| City of Redondo Beach                                                                    | 3,908,722        | 170,585                                                              | 140,055                                                  | 310,640                            |
| City of Santa Clarita                                                                    | 18,950,069       | 827,022                                                              | 679,010                                                  | 1,506,032                          |
| City of Santa Monica                                                                     | 44,801,402       | 1,955,229                                                            | 1,605,303                                                | 3,560,532                          |
| Southern California Regional Rail Authority***                                           | 308,630,010      | NA                                                                   | NA                                                       | NA                                 |
| City of Torrance                                                                         | 19,644,464       | 857,327                                                              | 703,891                                                  | 1,561,218                          |
| Regional Entity Subtotals                                                                | 2,252,859,894    | 84,850,366                                                           | 69,664,726                                               | 154,515,092                        |
| Los Angeles County Metropolitan Transportation Authority -<br>Corresponding to SCRRRA*** | NA               | 7,021,533                                                            | 5,764,892                                                | 12,786,425                         |
| Regional Entity Totals                                                                   | 2,252,859,894    | 91,871,899                                                           | 75,429,618                                               | 167,301,517                        |
| <b>Madera County Local Transportation Commission</b>                                     |                  |                                                                      |                                                          |                                    |
| City of Chowchilla                                                                       | 73,302           | 3,199                                                                | 2,627                                                    | 5,826                              |
| City of Madera                                                                           | 565,149          | 24,664                                                               | 20,250                                                   | 44,914                             |
| County of Madera                                                                         | 91,485           | 3,993                                                                | 3,278                                                    | 7,271                              |
| Regional Entity Totals                                                                   | 729,936          | 31,856                                                               | 26,155                                                   | 58,011                             |
| <b>Mariposa County Local Transportation Commission</b>                                   |                  |                                                                      |                                                          |                                    |
| County of Mariposa                                                                       | 28,132           | 1,228                                                                | 1,008                                                    | 2,236                              |
| <b>Mendocino Council of Governments</b>                                                  |                  |                                                                      |                                                          |                                    |
| Mendocino Transit Authority                                                              | 735,908          | 32,117                                                               | 26,369                                                   | 58,486                             |
| <b>Merced County Association of Governments</b>                                          |                  |                                                                      |                                                          |                                    |
| Transit Joint Powers Authority of Merced County                                          | 1,643,603        | 71,730                                                               | 58,893                                                   | 130,623                            |
| Yosemite Area Regional Transportation System (YARTS)                                     | 1,200,567        | 52,395                                                               | 43,018                                                   | 95,413                             |
| Regional Entity Totals                                                                   | 2,844,170        | 124,125                                                              | 101,911                                                  | 226,036                            |

\*\*\* The amounts allocated to the member agencies of Southern California Regional Rail Authority are included with their corresponding transportation planning agency.

**STATE CONTROLLER'S OFFICE  
STATE TRANSIT ASSISTANCE  
PUC 99314 ALLOCATION DETAIL  
FISCAL YEAR 2026-27 - AUGUST ESTIMATE  
JULY 31, 2026**

| Regional Entity and Operator(s)                                           | Revenue<br>Basis | PUC 99314 Allocation<br>RTC 7102(a)(3), 6051.8(a),<br>6201.8(a)<br>A | PUC 99314 Allocation<br>RTC 6051.8(b),<br>6201.8(b)<br>B | Total<br>Allocation<br>C = (A + B) |
|---------------------------------------------------------------------------|------------------|----------------------------------------------------------------------|----------------------------------------------------------|------------------------------------|
| Modoc County Local Transportation Commission                              |                  |                                                                      |                                                          |                                    |
| Modoc Transportation Agency                                               | 133,912          | 5,844                                                                | 4,798                                                    | 10,642                             |
| Mono County Local Transportation Commission                               |                  |                                                                      |                                                          |                                    |
| Eastern Sierra Transit Authority                                          | 3,424,272        | 149,443                                                              | 122,697                                                  | 272,140                            |
| Transportation Agency for Monterey County                                 |                  |                                                                      |                                                          |                                    |
| Monterey-Salinas Transit District                                         | 20,206,889       | 881,872                                                              | 724,044                                                  | 1,605,916                          |
| Nevada County Local Transportation Commission                             |                  |                                                                      |                                                          |                                    |
| County of Nevada                                                          | 308,911          | 13,482                                                               | 11,069                                                   | 24,551                             |
| City of Truckee                                                           | 1,969,992        | 85,975                                                               | 70,588                                                   | 156,563                            |
| Regional Entity Totals                                                    | 2,278,903        | 99,457                                                               | 81,657                                                   | 181,114                            |
| Orange County Transportation Authority                                    |                  |                                                                      |                                                          |                                    |
| City of Anaheim                                                           | 1,550,000        | 67,645                                                               | 55,539                                                   | 123,184                            |
| City of Laguna Beach                                                      | 4,023,717        | 175,604                                                              | 144,176                                                  | 319,780                            |
| Orange County Transportation Authority                                    | 63,092,252       | 2,753,481                                                            | 2,260,692                                                | 5,014,173                          |
| Regional Entity Subtotals                                                 | 68,665,969       | 2,996,730                                                            | 2,460,407                                                | 5,457,137                          |
| Orange County Transportation Authority -<br>Corresponding to SCRRA***     | NA               | 2,701,937                                                            | 2,218,372                                                | 4,920,309                          |
| Regional Entity Totals                                                    | 68,665,969       | 5,698,667                                                            | 4,678,779                                                | 10,377,446                         |
| Placer County Transportation Planning Agency                              |                  |                                                                      |                                                          |                                    |
| City of Auburn                                                            | 61,956           | 2,704                                                                | 2,220                                                    | 4,924                              |
| County of Placer                                                          | 7,137,582        | 311,499                                                              | 255,750                                                  | 567,249                            |
| City of Roseville                                                         | 1,353,589        | 59,074                                                               | 48,501                                                   | 107,575                            |
| Regional Entity Totals                                                    | 8,553,127        | 373,277                                                              | 306,471                                                  | 679,748                            |
| Plumas County Local Transportation Commission                             |                  |                                                                      |                                                          |                                    |
| County Service Area 12 - Specialized Service                              | 5,035            | 220                                                                  | 180                                                      | 400                                |
| County of Plumas                                                          | 0                | 0                                                                    | 0                                                        | 0                                  |
| Regional Entity Totals                                                    | 5,035            | 220                                                                  | 180                                                      | 400                                |
| Riverside County Transportation Commission                                |                  |                                                                      |                                                          |                                    |
| City of Banning                                                           | 184,717          | 8,061                                                                | 6,619                                                    | 14,680                             |
| City of Beaumont                                                          | 508,237          | 22,181                                                               | 18,211                                                   | 40,392                             |
| City of Corona                                                            | 245,364          | 10,708                                                               | 8,792                                                    | 19,500                             |
| Palo Verde Valley Transit Agency                                          | 148,631          | 6,487                                                                | 5,326                                                    | 11,813                             |
| City of Riverside - Specialized Service                                   | 343,574          | 14,994                                                               | 12,311                                                   | 27,305                             |
| Riverside Transit Agency                                                  | 14,923,450       | 651,291                                                              | 534,730                                                  | 1,186,021                          |
| Sunline Transit Agency                                                    | 13,255,010       | 578,477                                                              | 474,947                                                  | 1,053,424                          |
| Regional Entity Subtotals                                                 | 29,608,983       | 1,292,199                                                            | 1,060,936                                                | 2,353,135                          |
| Riverside County Transportation Commission -<br>Corresponding to SCRRA*** | NA               | 1,465,457                                                            | 1,203,185                                                | 2,668,642                          |
| Regional Entity Totals                                                    | 29,608,983       | 2,757,656                                                            | 2,264,121                                                | 5,021,777                          |

\*\*\* The amounts allocated to the member agencies of Southern California Regional Rail Authority are included with their corresponding transportation planning agency.



**STATE CONTROLLER'S OFFICE  
STATE TRANSIT ASSISTANCE  
PUC 99314 ALLOCATION DETAIL  
FISCAL YEAR 2026-27 - AUGUST ESTIMATE  
JULY 31, 2026**

| Regional Entity and Operator(s)                                               | Revenue<br>Basis | PUC 99314 Allocation<br>RTC 7102(a)(3), 6051.8(a),<br>6201.8(a)<br>A | PUC 99314 Allocation<br>RTC 6051.8(b),<br>6201.8(b)<br>B | Total<br>Allocation<br>C = (A + B) |
|-------------------------------------------------------------------------------|------------------|----------------------------------------------------------------------|----------------------------------------------------------|------------------------------------|
| Council of San Benito County Governments                                      |                  |                                                                      |                                                          |                                    |
| San Benito County Local Transportation Authority                              | 140,490          | 6,131                                                                | 5,034                                                    | 11,165                             |
| San Bernardino County Transportation Authority                                |                  |                                                                      |                                                          |                                    |
| Morongo Basin Transit Authority                                               | 1,192,362        | 52,037                                                               | 42,724                                                   | 94,761                             |
| Mountain Area Regional Transit Authority                                      | 2,238,008        | 97,671                                                               | 80,191                                                   | 177,862                            |
| City of Needles                                                               | 71,649           | 3,127                                                                | 2,567                                                    | 5,694                              |
| Omnitrans                                                                     | 25,431,586       | 1,109,889                                                            | 911,253                                                  | 2,021,142                          |
| Victor Valley Transit Authority                                               | 4,806,678        | 209,774                                                              | 172,231                                                  | 382,005                            |
| Regional Entity Subtotals                                                     | 33,740,283       | 1,472,498                                                            | 1,208,966                                                | 2,681,464                          |
| San Bernardino County Transportation Authority -<br>Corresponding to SCRRA*** | NA               | 1,515,293                                                            | 1,244,102                                                | 2,759,395                          |
| Regional Entity Totals                                                        | 33,740,283       | 2,987,791                                                            | 2,453,068                                                | 5,440,859                          |
| San Joaquin Council of Governments                                            |                  |                                                                      |                                                          |                                    |
| Altamont Corridor Express *                                                   | 16,481,492       | NA                                                                   | NA                                                       | NA                                 |
| City of Escalon                                                               | 148,134          | 6,465                                                                | 5,308                                                    | 11,773                             |
| City of Lathrop                                                               | 404              | 18                                                                   | 14                                                       | 32                                 |
| City of Lodi                                                                  | 863,471          | 37,684                                                               | 30,939                                                   | 68,623                             |
| City of Manteca                                                               | 65,380           | 2,853                                                                | 2,343                                                    | 5,196                              |
| City of Ripon                                                                 | 39,449           | 1,722                                                                | 1,414                                                    | 3,136                              |
| San Joaquin Regional Transit District                                         | 13,259,919       | 578,691                                                              | 475,123                                                  | 1,053,814                          |
| City of Tracy                                                                 | 151,407          | 6,608                                                                | 5,425                                                    | 12,033                             |
| Regional Entity Subtotals                                                     | 31,009,656       | 634,041                                                              | 520,566                                                  | 1,154,607                          |
| San Joaquin Regional Rail Commission -<br>Corresponding to ACE*               | NA               | 481,923                                                              | 395,673                                                  | 877,596                            |
| Regional Entity Totals                                                        | 31,009,656       | 1,115,964                                                            | 916,239                                                  | 2,032,203                          |
| San Luis Obispo Area Council of Governments                                   |                  |                                                                      |                                                          |                                    |
| San Luis Obispo Regional Transit Authority                                    | 1,730,430        | 75,520                                                               | 62,004                                                   | 137,524                            |
| City of San Luis Obispo Transit                                               | 1,489,211        | 64,992                                                               | 53,361                                                   | 118,353                            |
| Regional Entity Totals                                                        | 3,219,641        | 140,512                                                              | 115,365                                                  | 255,877                            |
| Santa Barbara County Association of Governments (SBCAG)                       |                  |                                                                      |                                                          |                                    |
| City of Guadalupe                                                             | 26,529           | 1,158                                                                | 951                                                      | 2,109                              |
| City of Lompoc                                                                | 230,212          | 10,047                                                               | 8,249                                                    | 18,296                             |
| Santa Barbara County Association of Governments (SBCAG)                       | 1,702,792        | 74,313                                                               | 61,014                                                   | 135,327                            |
| Santa Barbara Metropolitan Transit District                                   | 10,388,371       | 453,371                                                              | 372,231                                                  | 825,602                            |
| City of Santa Maria                                                           | 683,085          | 29,811                                                               | 24,476                                                   | 54,287                             |
| City of Solvang                                                               | 146,647          | 6,400                                                                | 5,255                                                    | 11,655                             |
| Regional Entity Totals                                                        | 13,177,636       | 575,100                                                              | 472,176                                                  | 1,047,276                          |

\* The amounts allocated to the member agencies of Altamont Corridor Express are included with their corresponding transportation planning agency.

\*\*\* The amounts allocated to the member agencies of Southern California Regional Rail Authority are included with their corresponding transportation planning agency.

**STATE CONTROLLER'S OFFICE  
STATE TRANSIT ASSISTANCE  
PUC 99314 ALLOCATION DETAIL  
FISCAL YEAR 2026-27 - AUGUST ESTIMATE  
JULY 31, 2026**

| <b>Regional Entity and Operator(s)</b>                                  | <b>Revenue<br/>Basis</b> | <b>PUC 99314 Allocation<br/>RTC 7102(a)(3), 6051.8(a),<br/>6201.8(a)</b> | <b>PUC 99314 Allocation<br/>RTC 6051.8(b),<br/>6201.8(b)</b> | <b>Total<br/>Allocation<br/>C = (A + B)</b> |
|-------------------------------------------------------------------------|--------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------|
|                                                                         |                          | <b>A</b>                                                                 | <b>B</b>                                                     |                                             |
| Santa Cruz County Transportation Commission                             |                          |                                                                          |                                                              |                                             |
| Santa Cruz Metropolitan Transit District                                | 42,349,680               | 1,848,231                                                                | 1,517,454                                                    | 3,365,685                                   |
| Shasta Regional Transportation Agency                                   |                          |                                                                          |                                                              |                                             |
| Redding Area Bus Authority                                              | 1,064,111                | 46,440                                                                   | 38,129                                                       | 84,569                                      |
| Sierra County Local Transportation Commission                           |                          |                                                                          |                                                              |                                             |
| County of Sierra - Specialized Service                                  | 10,791                   | 471                                                                      | 387                                                          | 858                                         |
| Siskiyou County Local Transportation Commission                         |                          |                                                                          |                                                              |                                             |
| County of Siskiyou                                                      | 511,872                  | 22,339                                                                   | 18,341                                                       | 40,680                                      |
| Stanislaus Council of Governments                                       |                          |                                                                          |                                                              |                                             |
| Stanislaus Regional Transit Authority                                   | 2,717,947                | 118,617                                                                  | 97,388                                                       | 216,005                                     |
| City of Turlock                                                         | 759,774                  | 33,158                                                                   | 27,224                                                       | 60,382                                      |
| Regional Entity Totals                                                  | 3,477,721                | 151,775                                                                  | 124,612                                                      | 276,387                                     |
| Tehama County Transportation Commission                                 |                          |                                                                          |                                                              |                                             |
| County of Tehama                                                        | 2,964,814                | 129,391                                                                  | 106,234                                                      | 235,625                                     |
| Trinity County Transportation Commission                                |                          |                                                                          |                                                              |                                             |
| County of Trinity                                                       | 39,073                   | 1,705                                                                    | 1,400                                                        | 3,105                                       |
| Tulare County Association of Governments                                |                          |                                                                          |                                                              |                                             |
| City of Porterville                                                     | 276,020                  | 12,046                                                                   | 9,890                                                        | 21,936                                      |
| Tulare County Regional Transit Agency                                   | 865,820                  | 37,786                                                                   | 31,024                                                       | 68,810                                      |
| City of Visalia                                                         | 4,765,029                | 207,956                                                                  | 170,738                                                      | 378,694                                     |
| Regional Entity Totals                                                  | 5,906,869                | 257,788                                                                  | 211,652                                                      | 469,440                                     |
| Tuolumne County Transportation Council                                  |                          |                                                                          |                                                              |                                             |
| Tuolumne County Transit Agency                                          | 1,954,300                | 85,290                                                                   | 70,026                                                       | 155,316                                     |
| Ventura County Transportation Commission                                |                          |                                                                          |                                                              |                                             |
| City of Camarillo                                                       | 156,050                  | 6,810                                                                    | 5,592                                                        | 12,402                                      |
| Gold Coast Transit District                                             | 3,721,985                | 162,435                                                                  | 133,364                                                      | 295,799                                     |
| City of Moorpark                                                        | 73,264                   | 3,197                                                                    | 2,625                                                        | 5,822                                       |
| City of Simi Valley                                                     | 394,475                  | 17,216                                                                   | 14,135                                                       | 31,351                                      |
| City of Thousand Oaks                                                   | 240,615                  | 10,501                                                                   | 8,622                                                        | 19,123                                      |
| Regional Entity Subtotals                                               | 4,586,389                | 200,159                                                                  | 164,338                                                      | 364,497                                     |
| Ventura County Transportation Commission -<br>Corresponding to SCRRA*** | NA                       | 765,055                                                                  | 628,134                                                      | 1,393,189                                   |
| Regional Entity Totals                                                  | 4,586,389                | 965,214                                                                  | 792,472                                                      | 1,757,686                                   |
| STATE TOTALS                                                            | <u>\$ 6,126,085,374</u>  | <u>\$ 267,355,500</u>                                                    | <u>\$ 219,507,000</u>                                        | <u>\$ 486,862,500</u>                       |

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**DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 9/3/2026**

## **Agenda Item No. 18**

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
BOARD OF DIRECTORS

September 17, 2026

**SUBJECT:**

Board Policy No. 44 (MTS Travel Expense Policy) – Policy Revision

**RECOMMENDATION:**

That the San Diego Metropolitan Transit System (MTS) Board of Directors (Board) approve the proposed revisions to MTS Board Policy No. 44 (MTS Travel Expense Policy) (in substantially the same format as Attachment A).

Budget Impact

None.

**DISCUSSION:**

MTS Policy No. 44 provides guidelines for MTS employees' and Board members' business travel for industry-related professional conferences and meetings. MTS staff updates this policy periodically for clarification purposes and changes to travel trends, and the attachments are updated by staff annually to incorporate adjustments to IRS directed mileage reimbursement rates and High-Cost Localities.

**Proposed Policy Updates**

The existing travel policy reimburses MTS employees and Board members for standard coach airfare. However, it does not specify whether the agency will reimburse optional seat selection fees. Selection of a seat was previously included in a standard coach airfare for most airlines. Current airline trends include the creation of additional fare classes that, depending on the airline, require an extra cost to select a seat at the time an airline reservation is booked.

The proposed policy change clarifies that MTS employees and Board members' travel reimbursement may include the cost of selecting a standard seat in advance. It also clarifies that costs for upgraded seating or premium seat options (including extra leg room, premium economy, exit row seating with additional space, or other enhanced seating options) are not eligible for MTS reimbursement. The proposed changes also include updates regarding non-reimbursement for airfare purchased with miles and early check-in benefits.



The proposed revisions (designated in *italics*), in Section 44.11 (Reasonable Travel Expenses), subsection b, are as follows:

Air Travel. Air travel should be coach class for the most direct route. *MTS will reimburse the cost of a fare class that allows the traveler to choose their seat assignment at the time of booking. However, reimbursement is not allowed for upgraded seat assignments (e.g. extra leg room, seating near front of plane, etc.).* Traveler arrangements should be made as far as possible in advance in order to secure the most favorable rates. MTS will cover the cost if it is more cost effective (i.e., difference in airfare as compared to the additional cost for hotel and meals) to include a Saturday stay. Travelers should consider this option when practical. Refundable airfares may be purchased if warranted. *Airfare purchased with miles or points is not reimbursable. Early check-in benefit options are not eligible for reimbursement.*

Revisions to Section 44.11 (Reasonable Travel Expenses), subsection j, Hotel, are also proposed to remove the specific IRS Notice from 2022 that identified a list of “high-cost localities” and instead identify that this list is published by the IRS on an annual basis and that Attachment F to Policy No. 44 will be updated each year with the latest IRS list of high-cost localities.

/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. Proposed Revisions to MTS Board Policy No. 44 (red-lined version)



**Metropolitan  
Transit  
System**

## Policies and Procedures No. 44

**Board Approval:** 9/~~14~~2317/2026

**SUBJECT:**

TRAVEL POLICY

**PURPOSE:**

To establish guidelines for San Diego Metropolitan Transit System (MTS) employees and MTS Board of Director (Board) members travelling on behalf of MTS. Attendance at relevant industry and professional conferences is an important facet of employee and Board member understanding of transit issues, emerging trends, and the ongoing professional development of staff.

**POLICY:**

- 44.1 Applicability. This policy applies to all MTS agencies including MTS, San Diego Transit Corporation, San Diego Trolley, Inc., and San Diego and Arizona Eastern Railway Co.
- 44.2 Board Member Attendance. MTS and its customers benefit from Board member engagement in state and national transit-related association activities such as those organized by the California Transit Association (CTA) and the American Public Transit Association (APTA). Each Board member is encouraged to attend one transit-related conference annually. The Chief Executive Officer (CEO) will survey the Board members annually to ascertain their interest in attending conferences. Budget, Brown Act, and other considerations may limit the number of Board members who may attend any given conference or meeting.
- 44.3 Travel by Board Member Alternate. Board alternates may attend one of the transit-related conferences, conditioned on the following:
  - a. They are attending in the place of the regular member.
  - b. They attended 50 percent or more of the Board meetings in the past 12 months, or since appointment, whichever time is shortest.
- 44.4 Employee Attendance. Employees are encouraged to attend transit conferences, seminars, and training classes pertaining to their respective disciplines.



- 44.5 Other Meetings. Consistent with 44.2 through 44.4, full reimbursement will be provided to any Board member or employee who is active on a CTA or APTA committee for travel and expenses related to a committee meeting. Other transit-related conferences or meetings may also merit attendance. Examples include meetings of the California Transportation Commission and legislative hearings. In such cases, the Chairperson (in the case of Board members) or the CEO (in the case of employees) will determine whether attendance is desirable, consider the remaining available travel budget, and decide who should attend.
- 44.6 Board Member Travel Arrangements. Board members will be notified in advance of conference details and basic travel arrangements such as arrival and departure dates and times, cost of the trip, date that members need to notify MTS of their interest in attending, and any potential cost impacts for changes made after that date. Board members desiring different travel arrangements will be financially responsible for any costs over and above those determined for the basic trip. Board members shall be notified in sufficient time to make changes with advance reservation discounts.
- 44.7 Travel Authorization. Employees traveling for work relating to or for the benefit of MTS must request advance approval through a "Travel Authorization Form" (Attachment A). The form must be completed and approved as soon as the need for travel is known, and if possible, at least two weeks prior to the trip. The requests shall be approved as follows: department managers or directors, Chief Operating Officer(s) (COO), Chief Financial Officer (CFO), and/or General Counsel. All requests must be approved by the CEO regardless of amount. After CEO approval, the request form will be routed back to the Finance Department. Finance will send a copy of the "Travel Authorization Form" to the traveler and keep the original as backup for a pending "Travel Expense Report."

This authorization form is a required step for reimbursement of travel expenses but will not by itself serve as the basis for reimbursement of travel costs, as reimbursement requests shall be made on a "Travel Expense Report" described in Section 44.8 and shown in Attachment C. Travel reservations will be made by the individual traveler or individuals as designated by the COO or CEO.

- 44.8 Expense Report. The "Travel Expense Report" portion of the form will be used to record actual trip expenses, and should be completed within two weeks from the return date. For employees, a department manager or director must indicate approval of the expenses (CEO approval for direct report travel; CEO, General Counsel, or CFO approval for Board member travel; and General Counsel approval of CEO travel). The form is routed to the Finance Department for processing, with a personal check attached for any funds due to MTS (if MTS direct expenses or travel advances exceed the total amount due). Failure to submit expense reports within this timeframe may result in not being reimbursed or collection actions taken if money is owed to MTS. Extensions may be granted by the CEO. For Board members, MTS will work with the Board member or their staff

to assist them in preparing and approving this report. All expenses should be itemized, including items MTS may have paid for in advance (e.g., airfare, conference registration) so that the report provides a complete record of all expenses. It is the traveler's responsibility to submit a completed report in order to receive prompt reimbursement.

- 44.9 Receipts. Itemized receipts for expenditures must be attached to the "Travel Expense Report" for all expenses where a receipt is practically attainable (mandatory, unless a written satisfactory explanation is provided for expenses in excess of \$10). Such written explanations may be subjected to approval by the CEO. Hotel charges must be evidenced by an itemized hotel bill, as a credit card receipt is not sufficient.
- 44.10 Travel Advances. Travel advances are provided on a case-by-case basis and approved by the CFO and/or CEO. A travel advance is a loan that provides cash resources to assist the employee while traveling and is not a payment by MTS for travel expenses. Persons requesting that MTS provide advance proceeds must request approval using the "Travel Advance Request" (Attachment B). This form must be completed and approved at least two weeks prior to the trip taking place, and advances will typically be distributed one week prior to the departure date. Any travel advance shall not exceed the total estimated amount of the trip less any items paid by MTS.

Travel costs incurred prior to departure may be reimbursed when paid. An example is a traveler paying for conference registration or booking and paying for air travel personally several weeks in advance. Reimbursements for these costs are not considered an advance. These items should be included on a "Request for Payment/Payment Voucher" or "Travel Expense Report" and only after the "Travel Authorization Request" has been approved.

- 44.11 Reasonable Travel Expenses. MTS reimburses for reasonable costs necessarily incurred for work travel in accordance with the terms of this policy and does not provide a per diem allowance. Itemized receipts for all meals, hotel, airfare, registration, etc must be provided. The following expenditure guidelines and the Annual Travel Cost Rates set by MTS (rates for the current calendar year are attached as Attachment E) should be observed as upper limits unless particular circumstances reasonably dictate otherwise:

- a. Upper Limits. Upper limits for meals, hotels, and similar costs will be updated, approved by the CEO, and published annually. See Attachment E for the current calendar year rates.
- b. Air Travel. Air travel should be coach class for the most direct route. MTS will reimburse the cost of a fare class that allows the traveler to choose their seat assignment at the time of booking. However, reimbursement is not allowed for upgraded seat assignments (e.g. extra leg room, seating near front of plane, etc.). Traveler arrangements should be made as far as possible in

advance in order to secure the most favorable rates. -MTS will cover the cost if it is more cost effective (i.e., difference in airfare as compared to the additional cost for hotel and meals) to include a Saturday stay. Travelers should consider this option when practical. Refundable airfares may be purchased if warranted. Airfare purchased with miles or points is not reimbursable. Early check-in benefit options are not eligible for reimbursement.

- c. Personal Auto Use. In the event that a private auto is used for the trip, mileage will be paid in accordance with the current IRS Mileage Reimbursement Rates. Maximum reimbursement shall not exceed the cost of a comparable coach airfare to the same location.
- d. Ground Transportation. In using surface transportation, the most practical, least expensive alternative should be utilized. Such transportation includes travel to and from the airport and reasonable business-related trips at the location. Travelers are encouraged to utilize public transportation where available.
  - 1. Parking. MTS will reimburse the lesser of the parking cost for a personal auto left at the airport or the cost of a shuttle service, taxi, or ride share service to and from the airport. If a specific option is not feasible given the time of travel or other personal circumstances, a waiver should be requested.
- f. Personal Travel. A traveler may wish to combine MTS-related travel with personal travel or include family members in the trip. If personal travel is included within the trip, it must be notated on the "Travel Authorization Form." For trips that include personal travel, MTS will reimburse the cost equivalent to a single-person roundtrip for the most direct route between San Diego and the business travel location. MTS will not advance any payments to cover personal travel.
- g. Rental Car. The use of rental cars must be preapproved as part of the "Travel Authorization Form." In the event a rental car is required, MTS will reimburse rental car charges for up to a reasonably priced standard-size sedan, unless the nature of the travel or the number of employees traveling warrants a larger vehicle. The traveler will be responsible for the cost difference, if any, for any vehicle upgrades over a standard-size sedan. MTS will not reimburse for rental car insurance coverage since employees are included under MTS's general automobile insurance coverage.
- h. Meals (While in Travel Status). Meals, including tip, shall generally average no more than the maximum rate approved and published annually. Alcohol consumed with a meal is not reimbursable, including applicable taxes and tips related to the



alcohol cost. The amount per day applies to each 24-hour day of travel, and partial days would be prorated accordingly. Exceptions to the maximum rates must be approved by the CEO or General Counsel.

- i. Business Meal. Reasonable business (involving outside persons or when necessary to conduct MTS-related business) meals are permitted. All such meals must be itemized, including the names of all attendees, with justification.
- j. Hotel. Travelers will be reimbursed for the cost of a reasonably priced single-occupancy hotel room. The maximum reimbursement is limited to the rate approved and published in this Policy (Attachment E). ~~Annually, the IRS Notice 2022-44 (Attachment F) provides~~ publishes a list of high-cost localities and timeframes in which maximum limits are eligible for reimbursement. ~~(Attachment F)~~. However, travelers are not required to stay in unsafe locations or locations that would result in long commutes to their meetings simply to meet those limits. These maximum limits do not apply if the traveler is staying at a hotel where a conference is being held. The CEO may authorize a waiver of the maximum limits in the event (1) the conference hotel is fully booked and the traveler stays at a nearby hotel with a rate reasonably comparable to the conference hotel rate; or (2) a safe and convenient hotel within the maximum rates is not identified within reasonable proximity to the meeting or event necessitating the business travel.
- k. Other Business-Related Expenses. Other business-related expenses while traveling such as supplies, equipment rental, reprographics, facsimiles, internet access, and other documented business-related expenses may be reimbursed when traveling on MTS business and used for MTS purposes.
- l. Travel Outside of the U.S. Reimbursement for travel outside the U.S. will be calculated at the average exchange rate during the trip. All reimbursement for any Value Added Taxes charged for hotel accommodations must be returned to MTS.
- m. Registration. Travelers requesting to attend a conference or training that requires registration should do so in sufficient time to take advantage of any discounts.
- n. Additional Conference Events or Costs. Conference luncheons, special banquets, or other set-price official affairs that exceed the actual cost listed under meals may be reimbursed if they are necessary to the attendance of the conference and must be authorized in advance with the submission of the "Travel Authorization Form".

- o. Cancellation Penalties. In the event that registration, airfare, hotel deposit, or any other such items that require prepayment are paid and the traveler is unable to attend and the prepayment is nonrefundable, then the traveler may be responsible for reimbursing MTS for the full cost unless the inability to attend is for valid business reasons, medical conditions, or personal emergencies, as approved by the CEO for employees or by the Executive Committee for Board members.
- p. Non-allowable Expenses. MTS will not provide any reimbursement for personal entertainment expenses, alcoholic beverages, movies in hotels, personal items, charitable contributions, air travel insurance, any travel expenses for family members (including but not limited to transportation, hotels, and meals), or any other expenses not deemed necessary for business purposes.
- q. Political Events. MTS will not provide reimbursement for expenses incurred for the purpose of attending political events. An event shall be considered “political” if it is held for the purpose of supporting, opposing, or raising money to support or oppose any candidate, ballot measure, or political party.
- r. Non-Discrimination. MTS will not provide any reimbursement for expenses incurred with any private club or establishment that discriminates on the basis of race, color, national origin, disability, gender, religion, sexual orientation, or other legally protected characteristic or class in its membership policy.

Exceptions to these guidelines must be approved by the CEO for employees and by the Executive Committee for Board members.

44.12 Within-Area Expenses. The form entitled “Expense Report (within area expenses)” (see Attachment D) must be used to record any eligible expenses. This report applies to expenses incurred within the San Diego County area only.

- a. Submittal of Form. Employees must submit this form together with receipts after applicable expenses are incurred.
- b. Eligible Expenses. Eligible expenses must be related to and necessary for carrying out MTS business. They may include, but not be limited to, business meals or meetings, mileage, parking, or other miscellaneous out-of-pocket expenses related to MTS business. The CEO or CFO may, in their judgment, disallow any extraordinary or inappropriate expenses. Whenever possible, local travel should be by public transportation. If it is impractical to use public transit, an MTS vehicle or private auto should be used.
- c. Description and Purpose. The report should include the date, description / purpose (including destination), and the applicable

department / account code (if operations) or the applicable project / task detail (if capital).

- d. Approvals. All necessary approvals must be obtained in advance and the completed form must be submitted to the Finance Department within one week after expenses are incurred.

#### 44.13 Non-Exempt Employee Travel Time Compensation Guidelines

- a. Travel Time. MTS pays non-exempt employees for travel time in accordance with the Fair Labor Standards Act (FLSA).
- b. Home to Work Travel. In general, the time an employee spends commuting from home to work and from work to home is not work time and is not compensable.
- c. Single-Day Travel. Time spent by a non-exempt employee in travel as part of his or her normal work activities (travel is performed for the benefit of MTS and at its request), such as travel to a seminar during regular working hours, is considered hours worked. If the employee is required to travel to another city and return home in the same day, the travel time to and from the other city is considered hours worked regardless whether the travel occurs within the employee's normal work schedule or by common carrier. However, meal periods and the travel time between the employee's home and the point of public transportation (i.e. airport, train station) are not considered hours worked.
- d. Overnight Travel. Travel by a non-exempt employee who (at the request and for the benefit of MTS) will be away from home overnight is work time only during those periods that coincide with the employee's regular working hours (i.e. Monday through Friday 9 a.m. to 5 p.m.). Such time is counted as hours worked even if it occurs on a non-working day (i.e. Saturday or Sunday between 9 a.m. and 5 p.m.). Travel outside regular working hours as a passenger in a plane, train, boat, bus or automobile is not considered hours worked. Driving a vehicle, regardless of whether the travel takes place within or outside normal work hours, counts as hours worked if it is for the benefit of MTS. (If an employee drives a car as a matter of personal preference in lieu of a different authorized mode of travel, only the estimated travel time associated with the authorized mode will be counted as hours worked.) To the extent that an employee performs work while traveling (i.e. preparing for a meeting, reviewing documents, making telephone calls), this time constitutes hours worked even if the travel time would otherwise not be compensable. Regular meal periods and time spent at a hotel with freedom to use time for the employee's own purposes is not compensable. The employee will not be compensated for time not working even if it occurs within the employee's regular work schedule (i.e. employee goes sightseeing).
- e. Non-exempt employees shall record and report all hours worked in accordance with the above guidelines. Overtime will be paid to the extent that hours worked, including travel hours specified above, exceed

40 hours in a workweek. If you have any questions, please contact Human Resources.

#### POLICY.44.TRAVEL EXPENSE POLICY

Attachments: A. Travel Authorization Form  
B. Travel Advance Request  
C. Travel Expense Report  
D. Expense Report (within-area expenses)  
E. Annual Travel Cost Rates  
F. IRS ~~Notice 2022-44~~List of High-Cost Localities

Original Policy approved on 8/12/93.  
Policy amended on 10/27/94.  
Policy revised on 4/29/04.  
Policy revised on 1/26/06.  
Policy revised on 7/19/07.  
Policy revised on 6/24/10.  
Attachments updated by Staff 1/16/13.  
Policy and attachments revised on 9/12/13.  
Attachments updated by Staff 7/24/14.  
Attachments updated by Staff 5/18/15.  
Attachments updated by Staff 2/2/16.  
Policy and attachments revised on 1/19/17.  
Attachments updated by Staff 6/21/17.  
Policy and attachments revised on 09/14/23  
Attachments updated by Staff 1/09/24  
Attachments updated by Staff 01/02/25  
Attachments updated by Staff 01/06/2025  
Policy and attachments revised on 9/17/26

(complete this form first, before any  
travel expenses are incurred)
☐ MTS  
☐ SDTC  
☐ SDTI
**PART I - EMPLOYEE INFORMATION**

|                                                                                                                       |           |                                |
|-----------------------------------------------------------------------------------------------------------------------|-----------|--------------------------------|
| Report Date:                                                                                                          | 8/28/2026 | <b>Costs to be charged to:</b> |
| Employee Name:                                                                                                        |           | Department/Acct Code: _____    |
| Title:                                                                                                                |           | <b>OPERATIONS ONLY</b>         |
| Department Name:                                                                                                      |           | Project/Task Detail: _____     |
|                                                                                                                       |           | <b>CIP ONLY</b>                |
| Travel Dates:                                                                                                         |           | Location: _____                |
| Meeting Name/Purpose: _____                                                                                           |           |                                |
| <input type="checkbox"/> Check this box if travel expenses are to be partially or fully paid by a third party vendor. |           |                                |

**PART II - TOTAL ESTIMATED EXPENSES**

## Transportation

|                                          |
|------------------------------------------|
| Air                                      |
| Train                                    |
| Car                                      |
| Mileage rate = .76¢ / mile               |
| Rental car insurance is not reimbursable |

|                      |      |
|----------------------|------|
| Total Transportation | \$ - |
|----------------------|------|

|                           |
|---------------------------|
| Shuttles / Taxi / Parking |
|---------------------------|

## Lodging

|      |
|------|
| Days |
| Rate |

|               |      |
|---------------|------|
| Total Lodging | \$ - |
|---------------|------|

## Meals

|      |
|------|
| Days |
| Rate |

|             |      |
|-------------|------|
| Total Meals | \$ - |
|-------------|------|

## Other Costs

|              |
|--------------|
| Registration |
| Other        |
| Other        |

|             |      |
|-------------|------|
| Total Other | \$ - |
|-------------|------|

|                                |      |
|--------------------------------|------|
| Grand Total Estimated Expenses | \$ - |
|--------------------------------|------|

|                                         |      |
|-----------------------------------------|------|
| Less: Amount To Be Paid Directly By MTS | \$ - |
|-----------------------------------------|------|

|                                       |      |
|---------------------------------------|------|
| Maximum Amount To Be Paid By Traveler | \$ - |
|---------------------------------------|------|

**PART III - SIGNATURES and APPROVALS**

Signature

Date

|                                |       |       |
|--------------------------------|-------|-------|
| Traveler:                      | _____ | _____ |
| Department Manager / Director: | _____ | _____ |
| COO / CFO / General Counsel:   | _____ | _____ |
| Budget Manager:                | _____ | _____ |
| CFO / General Counsel:         | _____ | _____ |
| Chief Executive Officer:       | _____ | _____ |



# TRAVEL ADVANCE REQUEST

(complete this form, if needed, to request cash  
for travel)

- ☐ MTS
- ☐ SDTC
- ☐ SDTI

## PART I - EMPLOYEE INFORMATION

Report Date: 8/28/2026

Employee Name: \_\_\_\_\_

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

Department Name: \_\_\_\_\_

Travel Dates: \_\_\_\_\_

Meeting Name/Purpose: \_\_\_\_\_

## PART II - TOTAL ESTIMATED EXPENSES

|                                                                          |           |          |
|--------------------------------------------------------------------------|-----------|----------|
| Grand Total Estimated Expenses (from travel authorization form)          | \$        | -        |
| Less: Amount To Be Paid Directly By MTS (from travel authorization form) | \$        | -        |
| Maximum Amount To Be Paid By Traveler (from travel authorization form)   | \$        | -        |
| <b>Total Advance Requested</b>                                           | <b>\$</b> | <b>-</b> |

## PART III - SIGNATURES and APPROVALS

|                                | Signature | Date  |
|--------------------------------|-----------|-------|
| Traveler:                      | _____     | _____ |
| Department Manager / Director: | _____     | _____ |
| COO:                           | _____     | _____ |
| CFO / General Counsel:         | _____     | _____ |
| Chief Executive Officer:       | _____     | _____ |



(complete this form no later than 1 week after  
return from travel)

☐ MTS  
☐ SDTC  
☐ SDTI

**PART I - EMPLOYEE INFORMATION**

Report Date: 8/28/2026  
Employee Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Department Name: \_\_\_\_\_

**Costs to be charged to:**

Department/Acct Code: \_\_\_\_\_

**OPERATIONS ONLY**

Project/Task Detail: \_\_\_\_\_

**CIP ONLY**

Meeting Name/Purpose: \_\_\_\_\_

**PART II - TOTAL EXPENSES**

|                        |                               | DAY 1 | DAY 2 | DAY 3 | DAY 4 | DAY 5 | DAY 6 | Total |
|------------------------|-------------------------------|-------|-------|-------|-------|-------|-------|-------|
| Travel Dates           |                               |       |       |       |       |       |       |       |
| Location (City, State) |                               |       |       |       |       |       |       |       |
| Transportation**       |                               |       |       |       |       |       |       | \$ -  |
| Shuttles/Taxis         |                               |       |       |       |       |       |       | \$ -  |
| Parking                |                               |       |       |       |       |       |       | \$ -  |
| Lodging                |                               |       |       |       |       |       |       | \$ -  |
| Meals                  | Breakfast (\$30 daily limit)* | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  |
| (Use Detail<br>Tabs)   | Lunch (\$30 daily limit)*     | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  |
|                        | Dinner (\$50 daily limit)*    | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  |
| Other:                 | Registration                  |       |       |       |       |       |       | \$ -  |
| Other:                 |                               |       |       |       |       |       |       | \$ -  |
| Other:                 |                               |       |       |       |       |       |       | \$ -  |
| Other:                 |                               |       |       |       |       |       |       | \$ -  |
| Total                  |                               | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  |

1. Travel expense report must be filled within  
two weeks after completing trip.

Total Expenses \$ -

2. Attach receipts for all purchases over \$10.  
Explain all items over \$10 not having receipts.

Less MTS Paid Items (please enter a + number)

Subtotal \$ -

3. Include related trip items paid separately by MTS;  
mark with an asterisk.

Less Cash Advanced (please enter a + number)

\*There is an overall daily cap of \$90.00

Amount Due \$ -

\*\*Rental car insurance is not reimbursable.

**PART III - SIGNATURES and APPROVALS**

☐ I certify that the above report is true and correct.

CEO approval of exception(s) from the Travel Policy: \_\_\_\_\_

Printed Name

Signature

Date

Traveler: \_\_\_\_\_

Manager/Supervisor (Up to \$3000): \_\_\_\_\_

Department Director (Up to \$5000): \_\_\_\_\_

Chief Financial Officer: \_\_\_\_\_



## EXPENSE REPORT (within-area expenses)

☐ SDTC  
☐ SDTI

Finance Use Only:

PEID \_\_\_\_\_

**PART I - EMPLOYEE INFORMATION**

Employee Name: \_\_\_\_\_

Period: \_\_\_\_\_ to \_\_\_\_\_

Employee Signature: \_\_\_\_\_

☐ I certify that the expenses reported are true and correct.**PART II - EXPENSES AND MILEAGE DETAIL**

| Date               | OPERATIONS<br>ONLY | CIP ONLY               | Description / Purpose | Telephone<br>555100 | Meeting Exp.<br>575230 | Mileage<br>(\$ .76/mile)<br>575230 | Other |
|--------------------|--------------------|------------------------|-----------------------|---------------------|------------------------|------------------------------------|-------|
|                    | Dept./Acct Code    | Project/Task<br>Detail |                       |                     |                        |                                    |       |
| _____              | _____              | _____                  | _____                 | \$ -                | \$ -                   | \$ -                               | \$ -  |
| _____              | _____              | _____                  | _____                 | \$ -                | \$ -                   | \$ -                               | \$ -  |
| _____              | _____              | _____                  | _____                 | \$ -                | \$ -                   | \$ -                               | \$ -  |
| _____              | _____              | _____                  | _____                 | \$ -                | \$ -                   | \$ -                               | \$ -  |
| _____              | _____              | _____                  | _____                 | \$ -                | \$ -                   | \$ -                               | \$ -  |
| _____              | _____              | _____                  | _____                 | \$ -                | \$ -                   | \$ -                               | \$ -  |
| _____              | _____              | _____                  | _____                 | \$ -                | \$ -                   | \$ -                               | \$ -  |
| _____              | _____              | _____                  | _____                 | \$ -                | \$ -                   | \$ -                               | \$ -  |
| _____              | _____              | _____                  | _____                 | \$ -                | \$ -                   | \$ -                               | \$ -  |
| <b>TOTALS</b>      |                    |                        |                       | \$ -                | \$ -                   | \$ -                               | \$ -  |
| <b>GRAND TOTAL</b> |                    |                        |                       |                     |                        |                                    | \$ -  |

**PART III - APPROVALS**

Department Director (Up to \$500): \_\_\_\_\_

Chief Financial Officer (Up to \$1500): \_\_\_\_\_

Chief Executive Officer (CEO): \_\_\_\_\_

**Expense Report Instructions**

- Employees must submit this form when requesting reimbursement. This report applies to expenses incurred within the San Diego metropolitan area only.
- Eligible expenses must be related to and necessary for carrying out MTS business. They may include, but are not limited to, business meals, or meetings, parking, or other miscellaneous out-of-pocket expenses related to MTS business. The CFO or CEO may, in their judgment, disallow any extraordinary or inappropriate expenses. Attach receipts for all out-of-pocket expenses.
- Briefly describe the item or the destination and the purpose.



## Annual Travel Cost Rates Calendar Year 2026

### Hotel Maximum (quoted price - not including taxes or fees)

|                                        |           |
|----------------------------------------|-----------|
| Medium/Low Cost Localities             | \$ 200.00 |
| High Cost Localities (Annual IRS List) | \$ 275.00 |

### Average Daily Meal Maximum

|                |          |
|----------------|----------|
| All Localities | \$ 90.00 |
|----------------|----------|

### Mileage Reimbursement Rate

|                                                       |          |
|-------------------------------------------------------|----------|
| As set by the IRS, effective July 1, 2026<br>per mile | \$ 0.760 |
|-------------------------------------------------------|----------|

### NOTES:

1. These are maximum rates. A higher cap may be obtained if pre-authorized by the CEO. Rates must be reasonable and necessary under the circumstances and will customarily be lower.
2. Meal caps are detailed out below, with an overall daily cap of \$90.00  
  
Breakfast - \$30.00  
Lunch - \$30.00  
Dinner - \$50.00
3. If a conference registration fee covers meals, employees are to participate in those meals.
4. Small / Medium U.S. Cities are defined for this rate structure as those with less than 1 million persons in the metropolitan area.  
  
Large U.S. Cities are defined for this rate structure as those with more than 1 million persons in the metropolitan area.
5. The Mileage Rate is directly tied to the rate set by the IRS and will be revised more frequently than annually if done so by the IRS.

| Key City | County or Other Defined Location | Portion of Calendar Year |
|----------|----------------------------------|--------------------------|
|----------|----------------------------------|--------------------------|

**Alabama**

|             |         |                  |
|-------------|---------|------------------|
| Gulf Shores | Baldwin | June 1 – July 31 |
|-------------|---------|------------------|

**Arizona**

|                        |                       |                                                       |
|------------------------|-----------------------|-------------------------------------------------------|
| Phoenix/<br>Scottsdale | Maricopa              | February 1 – March 31                                 |
| Sedona                 | City limits of Sedona | October 1 – December 31 and<br>March 1 – September 30 |

**California**

|                                  |                                                                                        |                                                          |
|----------------------------------|----------------------------------------------------------------------------------------|----------------------------------------------------------|
| Los Angeles                      | Los Angeles, Orange, and<br>Ventura, and Edwards AFB,<br>less the city of Santa Monica | October 1 – September 30                                 |
| Mammoth Lakes                    | Mono                                                                                   | December 1 – March 31                                    |
| Monterey                         | Monterey                                                                               | October 1 – September 30                                 |
| Napa                             | Napa                                                                                   | October 1 – November 30 and<br>February 1 – September 30 |
| Palm Springs                     | Riverside                                                                              | October 1 – April 30                                     |
| San Diego                        | San Diego                                                                              | October 1 – September 30                                 |
| San Francisco                    | San Francisco                                                                          | October 1 – September 30                                 |
| San Luis Obispo                  | San Luis Obispo                                                                        | June 1 – July 31                                         |
| Santa Barbara                    | Santa Barbara                                                                          | October 1 – September 30                                 |
| Santa Monica                     | City limits of Santa Monica                                                            | October 1 – September 30                                 |
| South Lake Tahoe                 | El Dorado                                                                              | December 1 – March 31                                    |
| Sunnyvale/<br>Palo Alto/San Jose | Santa Clara                                                                            | October 1 – September 30                                 |
| Yosemite National<br>Park        | Mariposa                                                                               | January 1 – April 30                                     |

**Colorado**

|                               |                                           |                                                      |
|-------------------------------|-------------------------------------------|------------------------------------------------------|
| Aspen                         | Pitkin                                    | October 1 – September 30                             |
| Denver/Aurora                 | Denver, Adams, Arapahoe,<br>and Jefferson | October 1 – October 31 and<br>April 1 – September 30 |
| Silverthorne/<br>Breckenridge | Summit                                    | December 1 – March 31                                |
| Steamboat Springs             | Routt                                     | December 1 – March 31                                |
| Telluride                     | San Miguel                                | October 1 – September 30                             |
| Vail                          | Eagle                                     | October 1 – September 30                             |

**Delaware**

|       |        |                    |
|-------|--------|--------------------|
| Lewes | Sussex | June 1 – August 31 |
|-------|--------|--------------------|

| Key City | County or Other Defined Location | Portion of Calendar Year |
|----------|----------------------------------|--------------------------|
|----------|----------------------------------|--------------------------|

**District of Columbia**

|                                                                                                                                                                                                                                      |                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| Washington, D.C. (also the cities of Alexandria, Falls Church, and Fairfax, and the counties of Arlington and Fairfax, in Virginia; and the counties of Montgomery and Prince George's in Maryland) (See also Maryland and Virginia) | October 1 – September 30 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|

**Florida**

|                                    |                           |                          |
|------------------------------------|---------------------------|--------------------------|
| Boca Raton/Delray Beach/Jupiter    | Palm Beach and Hendry     | January 1 – April 30     |
| Bradenton                          | Manatee                   | February 1 – March 31    |
| Cocoa Beach                        | Brevard                   | February 1 – March 31    |
| Fort Lauderdale                    | Broward                   | January 1 – April 30     |
| Fort Myers                         | Lee                       | January 1 – March 31     |
| Fort Walton Beach/DeFuniak Springs | Okaloosa and Walton       | June 1 – July 31         |
| Gulf Breeze                        | Santa Rosa                | June 1 – July 31         |
| Key West                           | Monroe                    | October 1 – September 30 |
| Miami                              | Miami-Dade                | December 1 – May 31      |
| Naples                             | Collier                   | December 1 – April 30    |
| Panama City                        | Bay                       | June 1 – July 31         |
| Sarasota                           | Sarasota                  | February 1 – April 30    |
| Sebring                            | Highlands                 | February 1 – March 31    |
| Stuart                             | Martin                    | February 1 – March 31    |
| Tampa/St. Petersburg               | Pinellas and Hillsborough | February 1 – April 30    |
| Vero Beach                         | Indian River              | December 1 – April 30    |

**Georgia**

|                         |                   |                      |
|-------------------------|-------------------|----------------------|
| Atlanta                 | Fulton and DeKalb | January 1 – March 31 |
| Jekyll Island/Brunswick | Glynn             | March 1 – July 31    |

**Idaho**

|                    |                   |                                                  |
|--------------------|-------------------|--------------------------------------------------|
| Boise              | Ada               | October 1 – October 31 and June 1 – September 30 |
| Coeur d'Alene      | Kootenai          | June 1 – August 31                               |
| Sun Valley/Ketchum | Blaine and Elmore | December 31 – March 31 and June 1 – September 30 |

| Key City | County or Other Defined Location | Portion of Calendar Year |
|----------|----------------------------------|--------------------------|
|----------|----------------------------------|--------------------------|

**Illinois**

|         |               |                                                       |
|---------|---------------|-------------------------------------------------------|
| Chicago | Cook and Lake | October 1 – November 30 and<br>April 1 – September 30 |
|---------|---------------|-------------------------------------------------------|

**Maine**

|                               |                          |                                                     |
|-------------------------------|--------------------------|-----------------------------------------------------|
| Bar Harbor/<br>Rockport       | Hancock and Knox         | October 1 – October 31 and<br>May 1 – September 30  |
| Kennebunk/Kittery/<br>Sanford | York                     | July 1 – August 31                                  |
| Portland                      | Cumberland and Sagadahoc | October 1 – October 31 and<br>June 1 – September 30 |

**Maryland**

|                                       |                                   |                          |
|---------------------------------------|-----------------------------------|--------------------------|
| Ocean City                            | Worcester                         | June 1 – August 31       |
| Washington, D.C.<br>Metropolitan Area | Montgomery and Prince<br>George's | October 1 – September 30 |

**Massachusetts**

|                   |                                         |                          |
|-------------------|-----------------------------------------|--------------------------|
| Boston/Cambridge  | Suffolk and city of Cambridge           | October 1 – September 30 |
| Falmouth          | City limits of Falmouth                 | July 1 – August 31       |
| Hyannis           | Barnstable less the city of<br>Falmouth | July 1 – August 31       |
| Martha's Vineyard | Dukes                                   | October 1 – September 30 |
| Nantucket         | Nantucket                               | June 1 – September 30    |

**Michigan**

|                 |                |                    |
|-----------------|----------------|--------------------|
| Mackinac Island | Mackinac       | July 1 – August 31 |
| Petoskey        | Emmet          | June 1 – August 31 |
| Traverse City   | Grand Traverse | July 1 – August 31 |

**Minnesota**

|        |           |                                                     |
|--------|-----------|-----------------------------------------------------|
| Duluth | St. Louis | October 1 – October 31 and<br>June 1 – September 30 |
|--------|-----------|-----------------------------------------------------|

**Montana**

|                                           |                   |                       |
|-------------------------------------------|-------------------|-----------------------|
| Big Sky/<br>West Yellowstone/<br>Gardiner | Gallatin and Park | June 1 – September 30 |
| Kalispell/Whitefish                       | Flathead          | July 1 – September 30 |

| Key City | County or Other Defined Location | Portion of Calendar Year |
|----------|----------------------------------|--------------------------|
|----------|----------------------------------|--------------------------|

**New Jersey**

|            |       |                    |
|------------|-------|--------------------|
| Toms River | Ocean | July 1 – August 31 |
|------------|-------|--------------------|

**New York**

|                              |                                              |                                                    |
|------------------------------|----------------------------------------------|----------------------------------------------------|
| Glens Falls                  | Warren                                       | July 1 – August 31                                 |
| Lake Placid                  | Essex                                        | July 1 – August 31                                 |
| New York City                | Bronx, Kings, New York, Queens, and Richmond | October 1 – December 31 and March 1 – September 30 |
| Saratoga Springs/Schenectady | Saratoga and Schenectady                     | July 1 – August 31                                 |

**North Carolina**

|                  |      |                    |
|------------------|------|--------------------|
| Kill Devil Hills | Dare | June 1 – August 31 |
|------------------|------|--------------------|

**Oregon**

|                 |           |                    |
|-----------------|-----------|--------------------|
| Bend            | Deschutes | June 1 – August 31 |
| Eugene/Florence | Lane      | June 1 – July 31   |
| Seaside         | Clatsop   | July 1 – August 31 |

**Pennsylvania**

|              |              |                                                    |
|--------------|--------------|----------------------------------------------------|
| Hershey      | Hershey      | June 1 – August 31                                 |
| Philadelphia | Philadelphia | October 1 – November 30 and April 1 – September 30 |

**Rhode Island**

|                              |         |                                                  |
|------------------------------|---------|--------------------------------------------------|
| Jamestown/Middletown/Newport | Newport | October 1 – October 31 and June 1 – September 30 |
|------------------------------|---------|--------------------------------------------------|

**South Carolina**

|             |                                      |                          |
|-------------|--------------------------------------|--------------------------|
| Charleston  | Charleston, Berkeley, and Dorchester | October 1 – September 30 |
| Hilton Head | Beaufort                             | March 1 – August 31      |

**Tennessee**

|           |          |                          |
|-----------|----------|--------------------------|
| Nashville | Davidson | October 1 – September 30 |
|-----------|----------|--------------------------|

**Utah**

|           |        |                                                                           |
|-----------|--------|---------------------------------------------------------------------------|
| Moab      | Grand  | October 1 – October 31, March 1 – June 30, and September 1 – September 30 |
| Park City | Summit | October 1 – September 30                                                  |

| <b>Key City</b> | <b>County or Other Defined Location</b> | <b>Portion of Calendar Year</b> |
|-----------------|-----------------------------------------|---------------------------------|
|-----------------|-----------------------------------------|---------------------------------|

**Vermont**

|            |            |                                                    |
|------------|------------|----------------------------------------------------|
| Burlington | Chittenden | October 1 – October 31 and May 1 – September 30    |
| Manchester | Bennington | October 1 – October 31 and August 1 – September 30 |
| Montpelier | Washington | October 1 – October 31 and August 1 – September 30 |

**Virginia**

|                                    |                                                                                    |                          |
|------------------------------------|------------------------------------------------------------------------------------|--------------------------|
| Virginia Beach                     | City of Virginia Beach                                                             | June 1 – August 31       |
| Wallops Island                     | Accomack                                                                           | July 1 – August 31       |
| Washington, D.C. Metropolitan Area | Cities of Alexandria, Falls Church, and Fairfax; counties of Arlington and Fairfax | October 1 – September 30 |

**Washington**

|                                |                       |                          |
|--------------------------------|-----------------------|--------------------------|
| Port Angeles/<br>Port Townsend | Clallam and Jefferson | July 1 – August 31       |
| Seattle                        | King                  | October 1 – September 30 |

**Wyoming**

|                  |                    |                          |
|------------------|--------------------|--------------------------|
| Jackson/Pinedale | Teton and Sublette | October 1 – September 30 |
|------------------|--------------------|--------------------------|



**Metropolitan  
Transit  
System**

**DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 9/3/2026**

## **Agenda Item No. 19**

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

**September 17, 2026**

**SUBJECT:**

Board Policy No. 30 (Investment Policy) – Policy Revision

**RECOMMENDATION:**

That the San Diego Metropolitan Transit System (MTS) Board of Directors approve and adopt the updated Board Policy No. 30 (Investment Policy) (Attachment A).

**Budget Impact**

None at this time.

**DISCUSSION:**

MTS Board Policy No. 30 (Investment Policy) governs the process for investment policies, procedures, and appropriate vehicles of investment for the cash management of MTS's surplus operating funds. On a biennial basis, the Investment Policy is reviewed by staff and updated for the Board's approval based upon the principles of capital preservation (safety), liquidity and investment return.

A review of the State of California Government Code and discussions with the County Treasurer resulted in recommendations that the Board approve minor changes to the existing policy. The proposed modifications to the policy include:

- Section 30.8: Updated the year (2024 to 2026) due to latest "Local Agency Investment Guidelines" publication.
- Section 30.8.4: Updated Prime Commercial Paper maximum maturity limits from 270 days to 397 days as per the California Government Code.
- Updated Figure 1,
  - Updated Footnote E to make consistent with section 30.8.3 of the Investment Policy (5% cap of bankers' acceptances to any one issuer).
  - Updated language in Footnote G to make consistent with the similar note in the 2026 California Local Agency Investment Guidelines.



- Updated Footnote K to reflect the expiration date (2026 to 2031) as per the 2025 California Local Agency Investment Guidelines.
- Update to Glossary of Investment Terms and Instruments name of CalTrust management firm to State Street Investment Management.

Therefore, staff recommends that the MTS Board of Directors approve and adopt the updated MTS Board Policy No. 30 (Investment Policy) (Attachment A).

/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. Updated Board Policy No. 30 (Investment Policy)  
B. Updated Board Policy No. 30 (Investment Policy) (redlined)





**Metropolitan  
Transit  
System**

## **Policies and Procedures No. 30**

**Board Approval:** 09/17/2026

**SUBJECT:**

**INVESTMENT POLICY**

**PURPOSE:**

The purpose of this Investment Policy for the San Diego Metropolitan Transit System (MTS) is to provide guidance and direction for the prudent investment of MTS funds, and to foster the creation of a systematic and controlled investment process. The ultimate goal is to maximize the efficiency of MTS's cash management system, and to enhance the economic status of MTS while protecting the principal of its pooled cash. The initial step toward a prudent investment policy is to set out a clear statement of fundamental investment direction.

**POLICY:**

MTS's policy is to invest public funds in a prudent manner, providing capital preservation, adequate liquidity, and a market rate of return consistent with the constraints imposed by safety objectives and cash flow considerations. Also, MTS's policy is to conform to all applicable federal, state and local statutes governing the investment of public funds.

### **30.1 SCOPE**

This Investment Policy applies to all surplus assets of MTS. Surplus funds are defined as those funds not required for the immediate necessities of MTS; such funds do not include pension/retirement trust funds. Bond proceeds will be governed by relevant bond documents.

### **30.2 PRUDENCE**

The standard of prudence to be used for managing the MTS investment program is California Government Code Section 53600.3, the prudent investor standard, which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual



investments as part of an overall strategy, investments may be acquired as authorized by law.”

MTS investment officers acting in accordance with written procedures and this Investment Policy, and exercising due diligence, shall be relieved of personal responsibility for an individual security’s credit risk or market risk, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments. All participants in the investment process shall act reasonably as custodians of the public trust.

### 30.3 RISK TOLERANCE

MTS recognizes that investment risks can result from issuer defaults, or various technical complications leading to temporary illiquidity.

1. Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in high grade securities and through issuer diversification.
2. Market risk, defined as market value fluctuations due to overall changes in market price and yield, shall be mitigated by maintaining appropriate asset diversification.
3. Interest rate risk, defined as bond market value fluctuations due to changes in interest rates, interest rate spreads, or the shape of the yield curve, shall be mitigated by maintaining an appropriate duration strategy and diversification of maturities.
4. Custodial credit risk, defined as the risk of loss due to the failure of the custodian, shall be mitigated by prudent custodian selection procedures and requirements, as described in Section 30.13 of this Policy.

### 30.4 OBJECTIVES

MTS strives to maintain in its investment portfolio 100% of all surplus funds, given daily and forecasted near-term cash flow needs. MTS funds shall be invested in accordance with all applicable policies and codes, State statutes, and Federal regulations, and in a manner designed to accomplish the following objectives, which are listed in priority order:

1. **SAFETY.** The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of those amounts. Safety of principal is the foremost objective of MTS’s investment program, followed by liquidity and yield. Investments by MTS shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. MTS only operates in those investments that are considered very safe. Also, safety is ensured by diversification, which is required in order that potential losses on individual securities do not exceed income from the remainder of the portfolio.

2. LIQUIDITY. Liquidity refers to the ability to sell an investment at any given moment with a minimal chance of losing some portion of principal or interest. MTS's investment portfolio shall remain sufficiently liquid to meet all operating requirements that might be reasonably anticipated. MTS will maintain an adequate percentage of the portfolio in liquid short-term securities that can be converted to cash, if necessary, to meet disbursement requirements.
3. YIELD/RETURN. The portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio, and State and local laws, regulations and resolutions that restrict the investment of short-term funds.

### 30.5 DELEGATION OF AUTHORITY

Management and oversight responsibility for MTS's investment program is delegated by the MTS Board of Directors (MTS Board) to the Chief Financial Officer, who shall establish procedures for the operation of the investment program, consistent with this Investment Policy. Such procedures will include appropriate delegation of authority to persons responsible for investment transactions. No person may engage in investment transactions except as provided under the terms of this Investment Policy and the procedures established by the Chief Financial Officer. The Chief Financial Officer is hereby delegated the authority from the MTS Board to:

1. Enter into agreements with MTS's financial depository in order to enable the Chief Financial Officer, or his/her designee, to execute investment transactions that will involve charges and credits to MTS's bank accounts.
2. Enter into banking arrangements with a third party bank trust department to facilitate the third-party safekeeping of MTS investments.
3. Establish operating procedures as deemed appropriate to operate an investment program consistent with this Investment Policy.

Upon the recommendation of the Chief Financial Officer, the MTS Board may engage the support services of outside investment advisors with respect to MTS's investment program, so long as it can be demonstrated that these services are expected to produce a net financial advantage or necessary financial protection of MTS's financial resources. Any investment advisor utilized by MTS should be registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940, and shall operate in a manner consistent with this Investment Policy and other written instructions as provided.

### 30.6 ETHICS AND CONFLICT OF INTEREST

1. The Chief Financial Officer and all personnel involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program and/or which could impair their ability to make impartial investment decisions. MTS officers and employees involved in

the investment process shall abide by MTS's Conflict of Interest Code, California Government Code Section 1090 et seq., and the California Political Reform Act (California Government Code Section 81000 et seq.). The Chief Financial Officer and all responsible personnel shall disclose to the MTS Board any material financial interests in any financial institutions that conduct business with MTS that could be related in a conflicting manner to MTS's investment portfolio performance.

2. MTS officers and employees involved in the investment process shall disclose to the MTS Board any material financial interests in any financial institutions that conduct business with MTS which could be related in a conflicting manner to the performance of MTS's investment portfolio. Additionally, the Chief Financial Officer and all investment personnel designated by the Chief Financial Officer shall file a Statement of Economic Interests each year as required by California Government Code Section 87203 and regulations of the Fair Political Practices Commission.

### 30.7 AUTHORIZED BROKER/DEALERS

1. It is expected, though not required, that most of MTS's investments will be made through pooled investment funds provided by a California State and/or County entity. Allowable pools are detailed in Sections 30.8.9 – 30.8.11, of this Investment Policy Statement. When/if direct security investments are made by MTS, MTS's procedures shall be designed to encourage multiple bids and offers on investment transactions from an approved list of broker/dealers in order to provide for the optimum yield in MTS's portfolio.

When/if making direct security investments, the Chief Financial Officer (or the Corporate Controller or the Director of Financial Planning and Analysis, if delegated) shall utilize a list of broker/dealers approved for investment purposes by the San Diego County Treasurer-Tax Collector's office. Purchases of investments through brokers, dealers, and financial institutions shall be permitted as stated in California Government Code Section 53635.5. Each approved broker/dealer must possess an authorizing certificate from the California Commissioner of Corporations as required by Section 25210 of the California Corporations Code. The firms they represent must:

- (a) be recognized as a Primary Dealer by the Federal Reserve Bank of New York or have a primary dealer within its holding company structure, or;
  - (b) Report voluntarily to the Federal Reserve Bank of New York, or
  - (c) Qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (Uniform Net Capital Rule).
2. If MTS utilizes an external investment advisor, the Chief Financial Officer may approve a list of authorized broker/dealers provided by the investment advisor.

### 30.8 AUTHORIZED AND SUITABLE INVESTMENTS

All investments and deposits of MTS assets shall be made in accordance with California Government Code Sections 16429.1, 53600-53609 and 53630-53686. Although the following includes authorized investments, the Chief Financial Officer shall determine the extent to which they are suitable based upon this Investment Policy and the resources used by the Chief Financial Officer in implementing it. This suitability determination shall include an examination of the Investment Policy Statements of utilized pooled investment funds to ensure that they are consistent with MTS's Policy.

Limitations identified in the following sections shall be adhered to and the percentage limits and credit criteria shall be measured against portfolio value on the date the investment is purchased. In the event of a credit downgrade below the minimum acceptable credit rating, MTS shall require investment advisors engaged in the investing of MTS funds to notify MTS staff of the downgrade, and provide a plan of action to address the downgrade.

The list of authorized investments, and the limitations associated with those investments are detailed in Figure 1 attached to this Investment Policy Statement; Figure 1 is taken from the 2026 version of "Local Agency Investment Guidelines," published by the California Debt and Investment Advisory Commission. The authorized investments and associated limitations are as follows:

1. United States Treasury bills, notes, bonds, or strips with a final maturity not exceeding five years from the date of trade settlement.
2. Federal Agency or U.S. government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by Federal agencies or U.S. government-sponsored enterprises with maturities not exceeding five years from the date of trade settlement. There is no limit on the percentage of U.S. Treasury, Federal Agency, or U.S. government-sponsored enterprise obligations that may be held in MTS's portfolio.
3. Eligible Banker's Acceptances with a maturity not exceeding 180 days from the date of trade settlement, drawn on or accepted by a FDIC insured commercial bank with combined capital and surplus of at least \$250 million, rated in a rating category of A-1, its equivalent, or higher by a nationally recognized statistical rating organization (NRSRO) at the time of purchase and whose senior long-term debt is rated in a rating category of "A", its equivalent, or higher by a NRSRO at the time of purchase. No more than 5% of MTS's total portfolio shall be invested in banker's acceptances of any one issuer, and the aggregate investment in banker's acceptances shall not exceed 40% of MTS's total portfolio.
4. Prime Commercial Paper (CP) with a maturity not exceeding 397 days from the date of trade settlement with the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity issuing the commercial

paper shall meet all of the following conditions in either sub-paragraph A. or sub-paragraph B. below:

- (a) The entity shall (1) be organized and operating in the United States as a general corporation, (2) have total assets in excess of \$500,000,000 and (3) have debt other than commercial paper, if any, that is rated in a rating category of "A", its equivalent, or higher by a NRSRO.
- (b) The entity shall (1) be organized within the United States as a special purpose corporation, trust, or limited liability company, (2) have program wide credit enhancements, including, but not limited to, over collateralization, letters of credit or surety bond and (3) have commercial paper that is rated in a rating category of A-1, its equivalent, or higher, by a NRSRO.

No more than 5% of MTS's total portfolio shall be invested in the commercial paper of any one issuer, the maximum exposure to a single issuer shall be 10% of total portfolio value inclusive of any other non-CP investments with said issuer, and MTS shall not purchase more than 10% of the outstanding commercial paper of any single issuer. The aggregate non-pooled fund investment in commercial paper shall not exceed 25% of MTS's total portfolio. Pooled fund commercial paper investments shall not exceed 40% of MTS's total portfolio, and the combined pooled fund and non-pooled fund investment in commercial paper shall also not exceed 40% of MTS' total portfolio.

5. Non-negotiable certificates of deposit (CD) with a final maturity not exceeding five years and meeting the conditions in either paragraph (a) or paragraph (b) below:

- (a) Certificates of deposit shall meet the requirements for deposit under California Government Code Section 53630 et seq. To be eligible to receive MTS deposits, the financial institution must meet the requirements of California Government Code Section 53635.2. Deposits are required to be collateralized as specified under California Government Code Section 53630 et seq. The Chief Financial Officer, at his or her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. MTS shall also have a signed agreement with the depository per California Government Code Section 53649.
- (b) Certificates of deposit placed through a deposit placement service shall meet the requirements of Government Code Section 53601.8. The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by federal deposit insurance.

No more than 5% of the portfolio shall be held in any one non-negotiable certificate of deposit or allocated to any one issuer, the maximum exposure to a single issuer shall be 10% of total portfolio value inclusive of any other non-CD

investments with said issuer, and the aggregate investment in non-negotiable certificates of deposit and negotiable certificates of deposit shall not exceed 30% of MTS's total portfolio.

6. Negotiable Certificates of Deposit with a final maturity not exceeding five years issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally- or state-licensed branch of a foreign bank. Negotiable CD issuers must be rated in a rating category of "A", its equivalent, or higher by two NRSROs.

No more than 10% of the portfolio shall be held in any one negotiable certificate of deposit or allocated to any one issuer, the maximum exposure to a single issuer shall be 10% of total portfolio value inclusive of any other non-CD investments with said issuer, and the aggregate investment in non-negotiable certificates of deposit and negotiable certificates of deposit shall not exceed 30% of MTS's total portfolio.

7. Repurchase Agreements with a final termination date not exceeding 1 year collateralized by U.S. Treasury obligations, Federal Agency securities, or Federal Instrumentality securities listed in Sections 30.8.1 and 30.8.2 above with the maturity of the collateral not exceeding ten years. For the purpose of this section, the term collateral shall mean purchased securities under the terms of MTS's approved Master Repurchase Agreement. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the funds borrowed. Collateral shall be held in MTS's custodian bank, as safekeeping agent, and the market value of the collateral securities shall be marked-to-market daily.

Repurchase Agreements shall be entered into only with broker/dealers who are recognized as Primary Dealers with the Federal Reserve Bank of New York or with firms that have a primary dealer within their holding company structure. Repurchase agreement counterparties shall execute an MTS-approved Master Repurchase Agreement with MTS. The Chief Financial Officer shall maintain a copy of MTS's approved Master Repurchase Agreement along with a list of the broker/dealers who have executed such an agreement.

The Repurchase Agreement exposure to a single broker/dealer shall not exceed 10% of MTS's total portfolio when the dollar-weighted average Repurchase Agreement maturity is greater than 5 days, or 15% of MTS's total portfolio when the dollar-weighted average Repurchase Agreement maturity is 5 days or less. Maximum Repurchase Agreement exposure shall not exceed 40% of MTS's total portfolio.

8. Reverse Repurchase Agreements may only be directly utilized after prior approval by the MTS Board, or indirectly utilized as a permitted investment by the California Local Agency Investment Fund, the San Diego County Treasurer's Pooled Money Fund, or a Joint Powers Authority Pool.

If an MTS Reverse Repurchase Agreement is authorized by the MTS Board, it may only be utilized if: 1) the security to be sold has been owned and fully paid for by MTS for a minimum of 30 days prior to the sale; 2) the total of all Reverse Repurchase Agreements does not exceed 20% of the value of the total MTS portfolio; and 3) the agreement does not exceed a term of 92 days unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of the security using a Reverse Repurchase Agreement and the final maturity of the same security. The proceeds of the Reverse Repurchase Agreement may not be invested in securities whose maturity exceeds the term of the Reverse Repurchase Agreement.

Reverse Repurchase Agreements shall be entered into only with broker/dealers who are recognized as Primary Dealers with the Federal Reserve Bank of New York or with firms that have a primary dealer within their holding company structure. Reverse Repurchase Agreement counterparties shall execute an MTS-approved Master Repurchase Agreement with MTS. The Chief Financial Officer shall maintain a copy of MTS's approved Master Repurchase Agreement along with a list of the broker/dealers who have executed such an agreement.

The Reverse Repurchase Agreement exposure to a single broker-dealer shall not exceed 10% of MTS's total portfolio.

9. State of California's Local Agency Investment Fund (LAIF), pursuant to California Government Code Section 16429.1. There is no limit on the percentage of MTS's portfolio that may be invested in LAIF, though LAIF may impose statutory limits.
10. The San Diego County Treasurer's Pooled Money Fund (SDPMF). There is no limit on the percentage of MTS's total portfolio that may be invested in SDPMF.
11. A Joint Powers Authority Pool (JPAP), pursuant to California Government Code Section 53601(p) as long as the portfolio is rated among the top two rating categories by a NRSRO. Such a pool must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management of at least \$500,000,000, and has at least five years of experience investing in instruments authorized by Section 53601(a-o). Examples of such pools include, but are not limited to, those offered by the California Asset Management Program (CAMP) and the Investment Trust of California (CalTrust). There is no limit on the percentage of JPAPs which offer daily (same-day) liquidity that may be held in MTS's portfolio; however, the aggregate investment in any JPAPs which do not offer daily liquidity shall not exceed 2.5% of MTS's total portfolio.
12. Medium Term Notes (MTN) issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States with a final maturity not exceeding five years from the date of trade settlement. These notes must be rated in a rating category of "A", its equivalent, or higher by a NRSRO.



No more than 10% of MTS's total portfolio shall be invested in medium term notes of any one issuer, the maximum exposure to a single issuer shall be 10% of total portfolio value inclusive of any other non-MTN investments with said issuer, and the aggregate investment in medium term notes shall not exceed 30% of MTS's total portfolio.

13. Money Market Funds registered under the Investment Company Act of 1940 that 1) are "no-load" (meaning no commission or fee shall be charged on purchases or sales of shares); 2) have a constant net asset value per share of \$1.00; 3) invest only in the securities and obligations authorized by State statute and 4) have attained the highest ranking or the highest letter and numerical rating provided by at least two NRSROs, or retained an investment advisor registered or exempt from registration (such as a bank holding company regulated by the Federal Deposit Insurance Corporation) with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500,000,000.

No more than 10% of MTS's total portfolio shall be invested in money market funds of any one issuer, and the aggregate investment in money market funds shall not exceed 20% of MTS's total portfolio.

14. Municipal bonds that are listed below with a final maturity not exceeding five years from the date of trade settlement and that must be rated in a rating category of "A," its equivalent, or higher by a NRSRO at the time of purchase. No more than 5% of MTS's total portfolio shall be invested in any single issuer, and the aggregate investment in municipal bonds shall not exceed 30% of MTS's total portfolio.

- (a) Bonds issued by MTS, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by MTS or by a department, board, agency, or authority of MTS.
- (b) Registered State warrants or treasury notes or bonds of the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the State or by a department, board, agency, or authority of the State.
- (c) Bonds, notes, warrants, or other evidences of indebtedness of a local agency within California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.
- (d) Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

15. Supranationals, which are United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States.

Investments under this subdivision shall be rated in the rating category of "AA," its equivalent, or better by at least one NRSRO. Purchases of supranational shall not exceed 30% of the investment portfolio of MTS, and the exposure to a single supranational issuer shall not exceed 10% of the investment portfolio of MTS.

16. Mortgage pass-through securities, collateralized mortgage obligations, mortgage-backed or other pay-through bonds, equipment lease-backed certificates, consumer receivable pass-through certificates, or consumer receivable-backed bonds. For securities eligible for investment under this subdivision not issued or guaranteed by an agency or issuer identified in Sections 53601(b) or 53601(f) of the California Government Code, the following limitations apply: the individual security must be rated in a category of "AA," its equivalent, or better by at least one NRSRO and have a maximum remaining maturity of five years or less; and purchases of securities authorized by this subdivision may not exceed 20% of MTS's total portfolio.
17. Commercial paper, debt securities, or other obligations of a public bank, as defined in Section 57600 of the California Government Code.

### 30.9 PROHIBITED INVESTMENTS

In accordance with Section 53601.6 of the California Government Code, MTS shall not invest any funds in inverse floaters, range notes or mortgage-derived interest-only strips, or in any security that could result in zero-interest accrual if held to maturity, with the following exception: in accordance with Section 53601.6(b)(2), MTS may invest in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates.

### 30.10 INVESTMENT POOLS

MTS allows investments in public agency investment pools (per Sections 30.8.9 – 30.8.11). Although many of these pools are long-standing, the Chief Financial Officer will annually obtain operating information from each utilized pool which includes the information detailed in Section 30.15 of this Investment Policy Statement.

### 30.11 MATURITY

MTS will not invest in instruments whose maturities exceed five years at the time of trade settlement unless the MTS Board has provided approval for a specific purpose at least three months before the investment is made. The Chief Financial Officer shall be

responsible for determining and monitoring an average maturity which meets MTS's projected cash flow requirements and shall be reported to the MTS Board as required under State Law. The average duration of any externally managed fund utilized by MTS shall not exceed 150 percent of the duration of the appropriate benchmark for that fund.

#### 30.12. SELECTION OF DEPOSITORIES

The Chief Financial Officer shall only utilize FDIC insured banks eligible to provide depository and other banking services for MTS. To be eligible, a bank must qualify as a depository of public funds in the State of California as defined in California Government Code Section 53630.5 and shall secure deposits in excess of FDIC insurance coverage in accordance with California Government Code Section 53652.

#### 30.13. SAFEKEEPING & CUSTODY

The Chief Financial Officer may select one or more banks to provide third-party safekeeping and custodial services for MTS, in accordance with the provisions of Section 53608 of the California Government Code. A Safekeeping Agreement approved by MTS shall be executed with each custodian bank prior to utilizing that bank's safekeeping services. Custodian banks will be selected on the basis of their ability to provide services for MTS's account and the competitive pricing of their safekeeping related services.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. All securities shall be held in the name of MTS, with sufficient evidence to title consistent with modern investment, banking and commercial practices.

All investment securities, except non-negotiable certificates of deposit, money market funds, and public agency investment pools, purchased by MTS will be delivered by book entry and will be held in third-party safekeeping by an MTS-approved custodian bank or its Depository Trust Company (DTC) participant account.

All Fed wireable book entry securities owned by MTS shall be held in the Federal Reserve System in a customer account for the custodian bank which will name MTS as "customer."

All DTC eligible securities shall be held in the custodian bank's DTC participant account and the custodian bank shall provide evidence that the securities are held for MTS as "customer."

#### 30.14. DIVERSIFICATION

MTS shall diversify its investments to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. Nevertheless, the asset allocation in the portfolio should be managed depending upon the outlook for the economy, the securities markets, and MTS's anticipated cash flow needs.

### 30.15. REPORTING

Quarterly, the Chief Financial Officer shall submit to the MTS Board a report of the investment earnings and performance results of MTS's investment portfolio. The report shall be submitted within 60 days following the end of the quarter, and shall include the following information for each individual investment:

1. Investment type, issuer, purchase date (trade and settlement), date of maturity, par value, purchase price and dollar amount invested in all securities, and investments and monies held by MTS;
2. A description of the funds, investments and programs;
3. A market value as of the date of the report (or the most recent valuation as to assets not valued monthly) and the source of the valuation;
4. Current period yield (based on cost) and rates of return for short-term and mid-term investments, including comparison to established benchmarks;
5. A statement of compliance with this Investment Policy or an explanation for non-compliance; and
6. A statement of MTS's ability to meet expenditure requirements for six months, and an explanation of why money will not be available if that is the case.

For investments in authorized investment pools, the most recent statement received from these pools may be used in lieu of the information listed above.

### 30.16 INTERNAL CONTROLS

The Chief Financial Officer (or the Corporate Controller, or the Director of Financial Planning and Analysis, if delegated) shall establish a system of internal controls, which shall be documented in writing. The internal controls will be reviewed with both the outside independent auditor and MTS's internal auditor. The controls shall be designed to prevent loss of public funds arising from fraud, employee error, or misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by employees and officers of MTS. Controls deemed most important include: control of collusion, segregation of duties, separating transaction authority from accounting and record keeping, custodial safekeeping, clear delegation of authority, written (email or faxed allowable) confirmation of telephone transactions, documentation of transactions and strategies and code of ethical standards.

### 30.17 PERFORMANCE STANDARDS

The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. The performance of MTS's portfolio and any external investment managers shall be compared to appropriate benchmark indices.

### 30.18 REVIEW, ADOPTION & AMENDMENTS

This Investment Policy shall be reviewed biennially by the MTS Board. Such review shall include review of the “Summary of Statutory Changes” and Figure 1 (Allowable Investment Instruments per State Government Code) in the Local Agency Investment Guidelines. The MTS Investment Policy may not be altered, amended or changed in any particular way, except by formal approval of the MTS Board.

Attachments: Figure 1: Summary of California Code and MTS Policy  
Table of Notes for Figure 1  
Glossary of Investment Terms and Instruments

Original Policy accepted on 10/23/86.  
Policy revised on 9/23/93.  
Policy repealed and readopted 6/13/96.  
Policy revised on 12/11/97.  
Policy revised on 8/12/99.  
Policy revised on 8/10/00.  
Policy revised on 9/13/01.  
Policy revised on 3/11/04.  
Policy revised on 6/14/07.  
Policy revised on 10/11/18.  
Policy revised on 05/14/2020.  
Policy revised on 12/16/2021.  
Policy revised on 11/10/2022.  
Policy revised on 11/14/2024  
Policy revised on 9/17/2026

Figure 1: Summary of California Code and MTS Policy

| INVESTMENT TYPE                                                | CA CODE<br>MAXIMUM<br>MATURITY <sup>C</sup> | CA CODE<br>MAXIMUM<br>SPECIFIED<br>% OF PORTFOLIO <sup>D</sup>                                                                              | CA CODE<br>MINIMUM QUALITY<br>REQUIREMENTS                    | MTS POLICY<br>MAXIMUM<br>SPECIFIED<br>% OF PORTFOLIO <sup>D</sup> | MTS POLICY<br>MINIMUM QUALITY<br>REQUIREMENTS     |
|----------------------------------------------------------------|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------|
| Local Agency Bonds                                             | 5 years                                     | None                                                                                                                                        | None                                                          | 30%                                                               | "A" rating category or its equivalent or better   |
| U.S. Treasury Obligations                                      | 5 years                                     | None                                                                                                                                        | None                                                          | Same as CA Code                                                   | Same as CA Code                                   |
| State Obligations—CA And Others                                | 5 years                                     | None                                                                                                                                        | None                                                          | 30%                                                               | "A" rating category or its equivalent or better   |
| CA Local Agency Obligations                                    | 5 years                                     | None                                                                                                                                        | None                                                          | 30%                                                               | "A" rating category or its equivalent or better   |
| U.S Agency Obligations                                         | 5 years                                     | None                                                                                                                                        | None                                                          | Same as CA Code                                                   | Same as CA Code                                   |
| Bankers' Acceptances                                           | 180 days                                    | 40% <sup>E</sup>                                                                                                                            | None                                                          | Same as CA Code                                                   | "A-1" rating category or its equivalent or better |
| Commercial Paper—Pooled Funds <sup>I</sup>                     | 397 days                                    | 40% of the agency's money <sup>G</sup>                                                                                                      | Highest letter and number rating by an NRSRO <sup>H</sup>     | Same as CA Code                                                   | Same as CA Code                                   |
| Commercial Paper—Non-Pooled Funds <sup>F</sup>                 | 397 days                                    | If investment assets <\$100 million, 25% of the agency's money; if investment assets >\$100 million, 40% of the agency's money <sup>G</sup> | Highest letter and number rating by an NRSRO <sup>H</sup>     | 25%                                                               | Same as CA Code                                   |
| Negotiable Certificates of Deposit                             | 5 years                                     | 30% <sup>J</sup>                                                                                                                            | None                                                          | Same as CA Code                                                   | "A" rating category or its equivalent or better   |
| Non-negotiable Certificates of Deposit                         | 5 years                                     | None                                                                                                                                        | None                                                          | 30%                                                               | Same as CA Code                                   |
| Placement Service Deposits                                     | 5 years                                     | 50%                                                                                                                                         | None                                                          | 30%                                                               | Same as CA Code                                   |
| Placement Service Certificates of Deposit                      | 5 years                                     | 50%                                                                                                                                         | None                                                          | 30%                                                               | Same as CA Code                                   |
| Repurchase Agreements                                          | 1 year                                      | None                                                                                                                                        | None                                                          | 40%                                                               | Same as CA Code                                   |
| Reverse Repurchase Agreements & Securities Lending Agreements  | 92 days <sup>L</sup>                        | 20% of the base value of the portfolio                                                                                                      | None <sup>M</sup>                                             | Same as CA Code                                                   | Same as CA Code                                   |
| Medium-Term Notes <sup>N</sup>                                 | 5 years                                     | 30%                                                                                                                                         | "A" rating category or its equivalent or better               | Same as CA Code                                                   | Same as CA Code                                   |
| Mutual Funds And Money Market Mutual Funds                     | N/A                                         | 20%                                                                                                                                         | Multiple <sup>P,Q</sup>                                       | Same as CA Code                                                   | Same as CA Code                                   |
| Collateralized Bank Deposits <sup>R</sup>                      | 5 years                                     | None                                                                                                                                        | None                                                          | Same as CA Code                                                   | Same as CA Code                                   |
| Mortgage Pass—Through and Asset-Backed Securities <sup>S</sup> | 5 years                                     | 20%                                                                                                                                         | "AA" rating category or its equivalent or better <sup>S</sup> | Same as CA Code                                                   | Same as CA Code                                   |
| County Pooled Investment Funds                                 | N/A                                         | None                                                                                                                                        | None                                                          | Same as CA Code                                                   | Same as CA Code                                   |
| Joint Powers Authority Pool                                    | N/A                                         | None                                                                                                                                        | Multiple <sup>T</sup>                                         | 2.5% on Pools not offering daily liquidity                        | Same as CA Code                                   |
| Local Agency Investment Fund (LAIF)                            | N/A                                         | None                                                                                                                                        | None                                                          | Same as CA Code                                                   | Same as CA Code                                   |
| Voluntary Investment Program Fund <sup>U</sup>                 | N/A                                         | None                                                                                                                                        | None                                                          | Same as CA Code                                                   | Same as CA Code.                                  |
| Supranational Obligations <sup>V</sup>                         | 5 years                                     | 30%                                                                                                                                         | "AA" rating category or its equivalent or better              | Same as CA Code                                                   | Same as CA Code                                   |
| Public Bank Obligations                                        | 5 years                                     | None                                                                                                                                        | None                                                          | Same as CA Code                                                   | Same as CA Code                                   |

## TABLE OF NOTES FOR FIGURE 1

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        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| <p>A. Sources: Sections 16340, 16429.1, 27133, 53601, 53601.6, 53601.8, 53630 et seq., 53635, 53635.8, and 57603.</p> <p>B. Municipal Utilities Districts have the authority under the Public Utilities Code Section 12871 to invest in certain securities not addressed here.</p> <p>C. Section 53601 provides that the maximum term of any investment authorized under this section, unless otherwise stated, is five years. However, the legislative body may grant express authority to make investments either specifically or as a part of an investment program approved by the legislative body that exceeds this five year maturity limit. Such approval must be issued no less than three months prior to the purchase of any security exceeding the five-year limit.</p> <p>D. Percentages apply to all portfolio investments regardless of source of funds. For instance, cash from a reverse repurchase agreement would be subject to the restrictions.</p> <p>E. No more than 5 percent of the agency's money may be in bankers' acceptances of any one issuer.</p> <p>F. Includes agencies defined as a "city, a district, or other local agency that do[es] not pool money in deposits or investment with other local agencies, other than local agencies that have the same governing body."</p> <p>G. Local agencies, other than counties or a city and county, may invest no more than 10 percent of their investment assets in the outstanding commercial paper and medium-term notes of any single issuer.</p> <p>H. Issuing corporation must be organized and operating within the U.S., have assets in excess of \$500 million, and debt other than commercial paper must be in a rating category of "A" or its equivalent or higher by a nationally recognized statistical rating organization, or the issuing corporation must be organized within the U.S. as a special purpose corporation, trust, or LLC, have program wide credit enhancements, and have commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating agency.</p> <p>I. Includes agencies defined as a county, a city and county, or other local agency "that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body." Local agencies that pool exclusively with other local agencies that have the same governing body must adhere to the limits set forth in Section 53601(h)(2)(C).</p> <p>J. No more than 30 percent of the agency's money may be in negotiable certificates of deposit that are authorized under Section 53601(i).</p> <p>K. Effective January 1, 2020, no more than 50 percent of the agency's money may be invested in deposits, including certificates of deposit, through a placement service as authorized under 53601.8 (excludes negotiable certificates of deposit authorized under Section 53601(i)). On January 1, 2031, the maximum percentage of the portfolio reverts back to 30 percent. Investment made pursuant to 53635.8 remain subject to a maximum of 30 percent of the portfolio.</p> | <p>L. Reverse repurchase agreements or securities lending agreements may exceed the 92-day term if the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity dates of the same security.</p> <p>M. Reverse repurchase agreements must be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state chartered bank that has a significant relationship with the local agency. The local agency must have held the securities used for the agreements for at least 30 days.</p> <p>N. "Medium-term notes" are defined in Section 53601 as "all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States"</p> <p>O. No more than 10 percent invested in any one mutual fund. This limitation does not apply to money market mutual funds.</p> <p>P. A mutual fund must receive the highest ranking by not less than two nationally recognized rating agencies or the fund must retain an investment advisor who is registered with the SEC (or exempt from registration), have assets under management in excess of \$500 million, and have at least five years' experience investing in instruments authorized by Sections 53601 and 53635.</p> <p>Q. A money market mutual fund must receive the highest ranking by not less than two nationally recognized statistical rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years' experience investing in money market instruments with assets under management in excess of \$500 million.</p> <p>R. Investments in notes, bonds, or other obligations under Section 53601(n) require that collateral be placed into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, among other specific collateral requirements.</p> <p>S. Security types authorized under Section 53601(o) that are issued or guaranteed by an issuer identified in subdivisions (b) or (f) are not subject to the limitations placed on privately issued securities authorized in Section 53601(o)(2)(A)(B).</p> <p>T. A JPAP must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Section 53601, subdivisions (a) to (o).</p> <p>U. Upon approval by their governing bodies, local entities can deposit \$200 million to \$10 billion into the Voluntary Investment Program Fund. Deposits in the fund will be invested in the Pooled Money Investment Account.</p> <p>V. Only those obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less.</p> |
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## GLOSSARY OF INVESTMENT TERMS AND INSTRUMENTS

| Term                   | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Banker's Acceptance    | A short-term bill of exchange that is accepted as payment by banks engaged in financing physical asset or merchandise trade.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Benchmark              | A passive index used to compare the performance, relative to risk and return, of an investor's portfolio.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Bond                   | A debt obligation of a firm or public entity. A bond represents the agreement to repay the debt in principal and, typically, in interest on the principal.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Broker/Dealer          | A person or a firm who can act as a broker or a dealer depending on the transaction. A broker brings buyers and sellers together for a commission. They do not take a position. A dealer acts as a principal in all transactions, buying and selling for his own account.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| CalTrust               | The Investment Trust of California (CalTrust) is a Joint Powers Authority created by public agencies in 2003 to provide a convenient method for public agencies to pool their assets for investment purposes. CalTrust is governed by a Board of Trustees made up of experienced local agency treasurers and investment officers. CalTrust offers Short-Term, Medium-Term, and Money Market funds managed by State Street Investment Management. The Money Market fund offers daily (same-day) liquidity. All CalTrust accounts comply with the limits and restrictions placed on local investments by California statutes.                                                                                                                                                                                                                |
| CAMP                   | The California Asset Management Program (CAMP) is a California Joint Powers Authority established in 1989 to provide California public agencies, together with any bond trustee acting on behalf of such public agency, assistance with the investment of and accounting for bond proceeds and surplus funds. The CAMP Pool is a short-term money market and cash management vehicle managed by PFM Asset Management LLC. The Pool seeks to attain as high a level of current income as is consistent with the preservation of principal. It seeks to maintain a constant Net Asset Value of \$1 per share and a dollar-weighted average portfolio maturity of 60 days or less. The Pool purchases only investments of the type in which public agencies are permitted by statute to invest surplus funds and proceeds of their own bonds. |
| Cash Flow              | A comparison of cash receipts (revenues) to required payments (debt service, operating expenses, etc.).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Certificate of Deposit | A short-term, secured deposit in a financial institution that usually returns principal and interest to the lender at the end of the loan period. Certificates of Deposits (CDs) differ in terms of collateralization and marketability. Those appropriate to public agency investing include:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |



| Term                                           | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                | Negotiable Certificates of Deposit, Non-Negotiable Certificates of Deposit.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Commercial Paper                               | A short-term, unsecured promissory note issued by a corporation. Prime paper includes those having Moody's ratings of P-3 and above.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Corporate Notes & Bonds                        | Debt instruments, typically unsecured, issued by corporations, with original maturities in most cases greater than one year and less than ten years.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Credit Risk                                    | The chance that an issuer will be unable to make scheduled payments of interest and principal on an outstanding obligation. Another concern for investors is that the market's perception of a corporation's credit will cause the market value of a security to fall, even if default is not expected.                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Credit Rating                                  | Various alphabetical and numerical designations used by institutional investors, Wall Street underwriters, and commercial rating companies to give relative indications of bond and note creditworthiness. Standard & Poor's and Fitch Ratings use the same system, starting with their highest of "AAA, AA, A, BBB, BB, B, CCC, CC, C, and D" for default. Moody's Investor Services uses "Aaa, Aa, A, Baa, Ba, B, Caa, Ca, C, and D". Each of the services use pluses (+), minuses (-), or numerical modifiers to indicate steps within each category. The top four letter categories are considered investment grade ratings.                                                                                                        |
| Duration                                       | A fixed-income metric that measures the sensitivity of a bond or portfolio to changes in interest rates. A portfolio or security with a higher duration will experience larger changes in market value as interest rates change.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Federal Agency and Instrumentality Obligations | Obligations issued by a government sponsored entity or a federally regulated institution. Federal Agencies and U.S. Government Sponsored Enterprises are U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (housing, agriculture). They include: <ul style="list-style-type: none"> <li>▪ Federal Home Loan Banks (FHLB)</li> <li>▪ Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")</li> <li>▪ Federal National Mortgage Association (FNMA or "Fannie Mae")</li> <li>▪ Federal Farm Credit Banks (FFCB)</li> <li>▪ Student Loan Marketing Association (SLMA or "Sallie Mae")</li> <li>▪ Tennessee Valley Authority (TVA)</li> </ul> |
| Inverse Floater                                | An inverse floater is a bond or other type of debt whose coupon rate has an inverse relationship to a benchmark rate. An inverse floater adjusts its coupon payment as the interest rate changes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Issuer                                         | Any corporation, governmental unit, or financial institution that borrows money through the sale of securities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

| Term                                         | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Joint Powers Authority Pool                  | Joint Powers Authorities are legally created entities that allow two or more public agencies to jointly exercise common powers. Under California Government Code Section 6509.7, public agencies that have the authority to invest funds in their treasuries may, by agreement, jointly exercise that common power by issuing shares of beneficial interest to participating public agencies. Each share represents an equal proportionate interest in the underlying pool of securities owned by the Joint Powers Authority.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| LAIF                                         | The Local Agency Investment Fund (LAIF), a voluntary program created by statute, began in 1977 as an investment alternative for California's local governments and special districts and continues today under the State of California Treasurer's office. This program offers participating agencies the opportunity to participate in a major portfolio which daily invests hundreds of millions of dollars, using the investment expertise of the State Treasurer's Office Investment staff. The LAIF is part of the Pooled Money Investment Account (PMIA), which began in 1955 and is overseen by a Board and an Investment Committee. The Local Investment Advisory Board provides oversight for LAIF. All securities are purchased under the authority of the Government Code Section 16430 and 16480.4. The State Treasurer's Office takes delivery of all securities purchased on a delivery versus payment basis using a third party custodian. All investments are purchased at market, and market valuation is conducted monthly. Deposits are subject to statutory limits. |
| Liquidity                                    | The ease with which an investment may be converted to cash, either by selling it in the secondary market or by demanding its repurchase pursuant to a put or other prearranged agreement with the issuer or another party.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Market Risk                                  | The chance that the value of a security will decline as interest rates rise. In general, as interest rates fall, prices of fixed income securities rise. Similarly, as interest rates rise, prices fall. Market risk also is referred to as systematic risk or risk that affects all securities within an asset class similarly.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Maturity                                     | The stated date on which all or a stated portion of the principal amount of a security becomes due and payable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Money Market Fund                            | A type of investment comprising a variety of short-term securities with high quality and high liquidity. The fund provides interest to shareholders and must strive to maintain a stable net asset value (NAV) of \$1 per share.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Mortgage – Derived Interest only (IO) Strips | Mortgage-derived Interest only (IO) strips are a security where the holder receives a non-principal portion of the payments on the underlying mortgages. An interest only strip is created by separating the principal and interest portions of the payments on the underlying loan pool and                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

| Term                                                          | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                               | selling them as distinct products. The process of separating the payments on the underlying debts is known as stripping. Although interest only strips can be created out of any debt-backed security that generates periodic payment, the term is strongly associated with mortgage-backed securities (MBS). The mortgage-backed securities that go through the process that separates the interest and principal payment streams are referred to as stripped MBS. The investor in the interest only stream benefits when prepayment rate on the underlying debt is low and interest rates are rising.                                                                                                                                                                                                                                                                                                                                                                                                              |
| Nationally Recognized Statistical Rating Organization (NRSRO) | The formal term to describe credit rating agencies that provide credit ratings that are used by the U.S. government in several regulatory areas. Ratings provided by Nationally Recognized Statistical Ratings Organizations (NRSRO) are used frequently by investors and are used as benchmarks by federal and state agencies. Generally, to be considered an NRSRO, the agency has to be "nationally recognized" in the U.S. and provide reliable and credible ratings. Also taken into consideration is the size of the credit rating agency, operational capability and its credit rating process. Some examples of NRSRO's include Moody's Investors Service Inc., Standard and Poor's Inc., Fitch Inc., Dominion Bond Rating Services Limited (DBRS) and A.M. Best Company Inc.                                                                                                                                                                                                                                |
| Notes                                                         | Debt obligations of a firm or public entity, usually maturing in less than ten years.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Pass-Through Security                                         | A pass-through security is a security backed by a pool of mortgage loans or other debt instruments that provides the holder with the cash flow from the mortgage/debt payments. This income is passed through from the debtor to the investor by the financial institution or government agency issuing the security. The income payments are derived from and collateralized (or "backed") by a specified pool of underlying assets which are receivables. Pooling the assets into financial instruments allows them to be sold to general investors, a process called securitization, and allows the risk of investing in the underlying assets to be diversified because each security will represent a fraction of the total value of the diverse pool of underlying assets. The pools of underlying assets can comprise common payments such as credit cards, auto loans, mortgage loans, and other types of assets. Interest and principal is paid to investors from borrowers who are paying down their debt. |
| Portfolio                                                     | The combined holdings of all of an investor's investment assets.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Public Bank                                                   | A corporation organized under the Nonprofit Mutual Benefit Corporation Law or the Nonprofit Public Benefit Corporation Law for the purpose of engaging in the commercial banking business or industrial banking business that is wholly owned by a local agency or agencies, or a Joint Powers Authority.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

| Term                           | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Range Accrual Note             | A range accrual note is a type of financial derivative product where the earning, or accrual, of the coupon rate, depends on the value of an index. The index could be an interest rate, currency exchange rate, the price of a commodity or stock index. If the index value falls within a specified range, the coupon accrues or is credited, interest. If the index value falls outside of the specified range, the coupon rate does not accumulate.                                                              |
| Repurchase Agreement           | From the perspective of a local agency, the short-term, often overnight, purchase of securities with an agreement to resell the securities to the counterparty seller on or before a specified date at an agreed upon price.                                                                                                                                                                                                                                                                                         |
| Reverse Repurchase Agreement   | From the perspective of a local agency, the sale of securities with an agreement to repurchase the securities from the counterparty buyer on or before a specified date at a specified price.                                                                                                                                                                                                                                                                                                                        |
| Return                         | The principal gains or losses (realized and unrealized) plus interest on an investment or portfolio of investments. In certain unfavorable market environments or due to risk factors, income derived from principal and interest may be less than the original amount invested.                                                                                                                                                                                                                                     |
| Risk                           | The uncertainty of maintaining the principal or interest associated with an investment due to a variety of factors.                                                                                                                                                                                                                                                                                                                                                                                                  |
| State & Local Investment Pools | The combined deposits of state and local agencies organized and operated by the state treasurer or a Joint Powers Agreement between local agencies. Deposits of various participating local agencies are pooled and invested. Each agency's returns are based upon their share of the amount invested in the pool. This increases investment efficiencies, decreases costs, provides liquidity, and utilizes investment expertise of the pool managers.                                                              |
| Supranational                  | A supranational entity is formed by two or more central governments with the purpose of promoting economic development for the member countries. Supranational institutions finance their activities by issuing debt, such as supranational bonds. Examples of supranational institutions include the European Investment Bank and the World Bank. Similarly to the government bonds, the bonds issued by these institutions are considered direct obligations of the issuing nations and have a high credit rating. |
| Treasury Bill                  | A Treasury bill (T-Bill) is a short-term debt obligation backed by the Treasury Department of the U.S. government with a maturity of less than one year, sold in denominations of \$1,000 up to a maximum purchase of \$5 million. T-bills have various maturities and are issued at a discount from par.                                                                                                                                                                                                            |
| Treasury Bond                  | A Treasury bond (T-Bond) is a marketable, fixed-interest U.S. government debt security with a maturity of more than 10 years. Treasury bonds make interest payments semi-annually, and the income received                                                                                                                                                                                                                                                                                                           |

| Term              | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   | is only taxed at the federal level. Treasury bonds are known in the market as primarily risk-free; they are issued by the U.S. government with very little risk of default.                                                                                                                                                                                                                                                                                                                         |
| Treasury Note     | A Treasury note is a marketable U.S. government debt security with a fixed interest rate and a maturity between one and ten years. Treasury notes are available from the government with either a competitive or noncompetitive bid. With a competitive bid, investors specify the yield they want, at the risk that their bid may not be approved; with a noncompetitive bid, investors accept whatever yield is determined at auction.                                                            |
| Treasury STRIPS   | Treasury STRIPS are fixed-income securities sold at a significant discount to face value and offer no interest payments because they mature at par. STRIPS is an acronym for Separate Trading of Registered Interest and Principal of Securities. These zero-coupon bonds come about when the bond's coupons are separated from the bond or note; and investor's return is determined by the difference between the purchase price and the bond's trading value, or face value if held to maturity. |
| Yield to Maturity | The rate of income return on an investment, minus any premium above par or plus any discount with the adjustment spread over the period from the date of the purchase to the date of maturity of the bond.                                                                                                                                                                                                                                                                                          |



**Metropolitan  
Transit  
System**

## **Policies and Procedures No. 30**

**Board Approval:** ~~11/14/2024~~09/17/2026

**SUBJECT:**

**INVESTMENT POLICY**

**PURPOSE:**

The purpose of this Investment Policy for the San Diego Metropolitan Transit System (MTS) is to provide guidance and direction for the prudent investment of MTS funds, and to foster the creation of a systematic and controlled investment process. The ultimate goal is to maximize the efficiency of MTS's cash management system, and to enhance the economic status of MTS while protecting the principal of its pooled cash. The initial step toward a prudent investment policy is to set out a clear statement of fundamental investment direction.

**POLICY:**

MTS's policy is to invest public funds in a prudent manner, providing capital preservation, adequate liquidity, and a market rate of return consistent with the constraints imposed by safety objectives and cash flow considerations. Also, MTS's policy is to conform to all applicable federal, state and local statutes governing the investment of public funds.

### **30.1 SCOPE**

This Investment Policy applies to all surplus assets of MTS. Surplus funds are defined as those funds not required for the immediate necessities of MTS; such funds do not include pension/retirement trust funds. Bond proceeds will be governed by relevant bond documents.

### **30.2 PRUDENCE**

The standard of prudence to be used for managing the MTS investment program is California Government Code Section 53600.3, the prudent investor standard, which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a



like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

MTS investment officers acting in accordance with written procedures and this Investment Policy, and exercising due diligence, shall be relieved of personal responsibility for an individual security’s credit risk or market risk, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments. All participants in the investment process shall act reasonably as custodians of the public trust.

### 30.3 RISK TOLERANCE

MTS recognizes that investment risks can result from issuer defaults, or various technical complications leading to temporary illiquidity.

1. Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in high grade securities and through issuer diversification.
2. Market risk, defined as market value fluctuations due to overall changes in market price and yield, shall be mitigated by maintaining appropriate asset diversification.
3. Interest rate risk, defined as bond market value fluctuations due to changes in interest rates, interest rate spreads, or the shape of the yield curve, shall be mitigated by maintaining an appropriate duration strategy and diversification of maturities.
4. Custodial credit risk, defined as the risk of loss due to the failure of the custodian, shall be mitigated by prudent custodian selection procedures and requirements, as described in Section 30.13 of this Policy.

### 30.4 OBJECTIVES

MTS strives to maintain in its investment portfolio 100% of all surplus funds, given daily and forecasted near-term cash flow needs. MTS funds shall be invested in accordance with all applicable policies and codes, State statutes, and Federal regulations, and in a manner designed to accomplish the following objectives, which are listed in priority order:

1. SAFETY. The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of

those amounts. Safety of principal is the foremost objective of MTS's investment program, followed by liquidity and yield. Investments by MTS shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. MTS only operates in those investments that are considered very safe. Also, safety is ensured by diversification, which is required in order that potential losses on individual securities do not exceed income from the remainder of the portfolio.

2. LIQUIDITY. Liquidity refers to the ability to sell an investment at any given moment with a minimal chance of losing some portion of principal or interest. MTS's investment portfolio shall remain sufficiently liquid to meet all operating requirements that might be reasonably anticipated. MTS will maintain an adequate percentage of the portfolio in liquid short-term securities that can be converted to cash, if necessary, to meet disbursement requirements.
3. YIELD/RETURN. The portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio, and State and local laws, regulations and resolutions that restrict the investment of short-term funds.

### 30.5 DELEGATION OF AUTHORITY

Management and oversight responsibility for MTS's investment program is delegated by the MTS Board of Directors (MTS Board) to the Chief Financial Officer, who shall establish procedures for the operation of the investment program, consistent with this Investment Policy. Such procedures will include appropriate delegation of authority to persons responsible for investment transactions. No person may engage in investment transactions except as provided under the terms of this Investment Policy and the procedures established by the Chief Financial Officer. The Chief Financial Officer is hereby delegated the authority from the MTS Board to:

1. Enter into agreements with MTS's financial depository in order to enable the Chief Financial Officer, or his/her designee, to execute investment transactions that will involve charges and credits to MTS's bank accounts.
2. Enter into banking arrangements with a third party bank trust department to facilitate the third-party safekeeping of MTS investments.



3. Establish operating procedures as deemed appropriate to operate an investment program consistent with this Investment Policy.

Upon the recommendation of the Chief Financial Officer, the MTS Board may engage the support services of outside investment advisors with respect to MTS's investment program, so long as it can be demonstrated that these services are expected to produce a net financial advantage or necessary financial protection of MTS's financial resources. Any investment advisor utilized by MTS should be registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940, and shall operate in a manner consistent with this Investment Policy and other written instructions as provided.

### 30.6 ETHICS AND CONFLICT OF INTEREST

1. The Chief Financial Officer and all personnel involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program and/or which could impair their ability to make impartial investment decisions. MTS officers and employees involved in the investment process shall abide by MTS's Conflict of Interest Code, California Government Code Section 1090 et seq., and the California Political Reform Act (California Government Code Section 81000 et seq.). The Chief Financial Officer and all responsible personnel shall disclose to the MTS Board any material financial interests in any financial institutions that conduct business with MTS that could be related in a conflicting manner to MTS's investment portfolio performance.
2. MTS officers and employees involved in the investment process shall disclose to the MTS Board any material financial interests in any financial institutions that conduct business with MTS which could be related in a conflicting manner to the performance of MTS's investment portfolio. Additionally, the Chief Financial Officer and all investment personnel designated by the Chief Financial Officer shall file a Statement of Economic Interests each year as required by California Government Code Section 87203 and regulations of the Fair Political Practices Commission.

### 30.7 AUTHORIZED BROKER/DEALERS

1. It is expected, though not required, that most of MTS's investments will be made through pooled investment funds provided by a California State and/or County entity. Allowable pools are detailed in Sections 30.8.9 – 30.8.11, of this Investment Policy Statement. When/if direct security investments are made

by MTS, MTS's procedures shall be designed to encourage multiple bids and offers on investment transactions from an approved list of broker/dealers in order to provide for the optimum yield in MTS's portfolio.

When/if making direct security investments, the Chief Financial Officer (or the Corporate Controller or the Director of Financial Planning and Analysis, if delegated) shall utilize a list of broker/dealers approved for investment purposes by the San Diego County Treasurer-Tax Collector's office. Purchases of investments through brokers, dealers, and financial institutions shall be permitted as stated in California Government Code Section 53635.5. Each approved broker/dealer must possess an authorizing certificate from the California Commissioner of Corporations as required by Section 25210 of the California Corporations Code. The firms they represent must:

- (a) be recognized as a Primary Dealer by the Federal Reserve Bank of New York or have a primary dealer within its holding company structure, or;
  - (b) Report voluntarily to the Federal Reserve Bank of New York, or
  - (c) Qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (Uniform Net Capital Rule).
2. If MTS utilizes an external investment advisor, the Chief Financial Officer may approve a list of authorized broker/dealers provided by the investment advisor.

### 30.8 AUTHORIZED AND SUITABLE INVESTMENTS

All investments and deposits of MTS assets shall be made in accordance with California Government Code Sections 16429.1, 53600-53609 and 53630-53686. Although the following includes authorized investments, the Chief Financial Officer shall determine the extent to which they are suitable based upon this Investment Policy and the resources used by the Chief Financial Officer in implementing it. This suitability determination shall include an examination of the Investment Policy Statements of utilized pooled investment funds to ensure that they are consistent with MTS's Policy.

Limitations identified in the following sections shall be adhered to and the percentage limits and credit criteria shall be measured against portfolio value on the date the investment is purchased. In the event of a credit

downgrade below the minimum acceptable credit rating, MTS shall require investment advisors engaged in the investing of MTS funds to notify MTS staff of the downgrade, and provide a plan of action to address the downgrade.

The list of authorized investments, and the limitations associated with those investments are detailed in Figure 1 attached to this Investment Policy Statement; Figure 1 is taken from the ~~2026~~2024 version of "Local Agency Investment Guidelines," published by the California Debt and Investment Advisory Commission. The authorized investments and associated limitations are as follows:

1. United States Treasury bills, notes, bonds, or strips with a final maturity not exceeding five years from the date of trade settlement.
2. Federal Agency or U.S. government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by Federal agencies or U.S. government-sponsored enterprises with maturities not exceeding five years from the date of trade settlement. There is no limit on the percentage of U.S. Treasury, Federal Agency, or U.S. government-sponsored enterprise obligations that may be held in MTS's portfolio.
3. Eligible Banker's Acceptances with a maturity not exceeding 180 days from the date of trade settlement, drawn on or accepted by a FDIC insured commercial bank with combined capital and surplus of at least \$250 million, rated in a rating category of A-1, its equivalent, or higher by a nationally recognized statistical rating organization (NRSRO) at the time of purchase and whose senior long-term debt is rated in a rating category of "A", its equivalent, or higher by a NRSRO at the time of purchase. No more than 5% of MTS's total portfolio shall be invested in banker's acceptances of any one issuer, and the aggregate investment in banker's acceptances shall not exceed 40% of MTS's total portfolio.
4. Prime Commercial Paper (CP) with a maturity not exceeding ~~397~~270 days from the date of trade settlement with the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity issuing the commercial paper shall meet all of the following conditions in either sub-paragraph A. or sub-paragraph B. below:
  - (a) The entity shall (1) be organized and operating in the United States as a general corporation, (2) have total

assets in excess of \$500,000,000 and (3) have debt other than commercial paper, if any, that is rated in a rating category of "A", its equivalent, or higher by a NRSRO.

- (b) The entity shall (1) be organized within the United States as a special purpose corporation, trust, or limited liability company, (2) have program wide credit enhancements, including, but not limited to, over collateralization, letters of credit or surety bond and (3) have commercial paper that is rated in a rating category of A-1, its equivalent, or higher, by a NRSRO.

No more than 5% of MTS's total portfolio shall be invested in the commercial paper of any one issuer, the maximum exposure to a single issuer shall be 10% of total portfolio value inclusive of any other non-CP investments with said issuer, and MTS shall not purchase more than 10% of the outstanding commercial paper of any single issuer. The aggregate non-pooled fund investment in commercial paper shall not exceed 25% of MTS's total portfolio. Pooled fund commercial paper investments shall not exceed 40% of MTS's total portfolio, and the combined pooled fund and non-pooled fund investment in commercial paper shall also not exceed 40% of MTS' total portfolio.

- 5. Non-negotiable certificates of deposit (CD) with a final maturity not exceeding five years and meeting the conditions in either paragraph (a) or paragraph (b) below:

- (a) Certificates of deposit shall meet the requirements for deposit under California Government Code Section 53630 et seq. To be eligible to receive MTS deposits, the financial institution must meet the requirements of California Government Code Section 53635.2. Deposits are required to be collateralized as specified under California Government Code Section 53630 et seq. The Chief Financial Officer, at his or her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. MTS shall also have a signed agreement with the depository per California Government Code Section 53649.
- (b) Certificates of deposit placed through a deposit placement service shall meet the requirements of Government Code Section 53601.8. The full amount of the principal and the interest that may be accrued during the maximum term of

each certificate of deposit shall at all times be insured by federal deposit insurance.

No more than 5% of the portfolio shall be held in any one non-negotiable certificate of deposit or allocated to any one issuer, the maximum exposure to a single issuer shall be 10% of total portfolio value inclusive of any other non-CD investments with said issuer, and the aggregate investment in non-negotiable certificates of deposit and negotiable certificates of deposit shall not exceed 30% of MTS's total portfolio.

6. Negotiable Certificates of Deposit with a final maturity not exceeding five years issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally- or state-licensed branch of a foreign bank. Negotiable CD issuers must be rated in a rating category of "A", its equivalent, or higher by two NRSROs.

No more than 10% of the portfolio shall be held in any one negotiable certificate of deposit or allocated to any one issuer, the maximum exposure to a single issuer shall be 10% of total portfolio value inclusive of any other non-CD investments with said issuer, and the aggregate investment in non-negotiable certificates of deposit and negotiable certificates of deposit shall not exceed 30% of MTS's total portfolio.

7. Repurchase Agreements with a final termination date not exceeding 1 year collateralized by U.S. Treasury obligations, Federal Agency securities, or Federal Instrumentality securities listed in Sections 30.8.1 and 30.8.2 above with the maturity of the collateral not exceeding ten years. For the purpose of this section, the term collateral shall mean purchased securities under the terms of MTS's approved Master Repurchase Agreement. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the funds borrowed. Collateral shall be held in MTS's custodian bank, as safekeeping agent, and the market value of the collateral securities shall be marked-to-market daily.

Repurchase Agreements shall be entered into only with broker/dealers who are recognized as Primary Dealers with the Federal Reserve Bank of New York or with firms that have a primary dealer within their holding company structure. Repurchase agreement counterparties shall execute an MTS-approved Master Repurchase Agreement with MTS. The Chief

Financial Officer shall maintain a copy of MTS's approved Master Repurchase Agreement along with a list of the broker/dealers who have executed such an agreement.

The Repurchase Agreement exposure to a single broker/dealer shall not exceed 10% of MTS's total portfolio when the dollar-weighted average Repurchase Agreement maturity is greater than 5 days, or 15% of MTS's total portfolio when the dollar-weighted average Repurchase Agreement maturity is 5 days or less. Maximum Repurchase Agreement exposure shall not exceed 40% of MTS's total portfolio.

8. Reverse Repurchase Agreements may only be directly utilized after prior approval by the MTS Board, or indirectly utilized as a permitted investment by the California Local Agency Investment Fund, the San Diego County Treasurer's Pooled Money Fund, or a Joint Powers Authority Pool.

If an MTS Reverse Repurchase Agreement is authorized by the MTS Board, it may only be utilized if: 1) the security to be sold has been owned and fully paid for by MTS for a minimum of 30 days prior to the sale; 2) the total of all Reverse Repurchase Agreements does not exceed 20% of the value of the total MTS portfolio; and 3) the agreement does not exceed a term of 92 days unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of the security using a Reverse Repurchase Agreement and the final maturity of the same security. The proceeds of the Reverse Repurchase Agreement may not be invested in securities whose maturity exceeds the term of the Reverse Repurchase Agreement.

Reverse Repurchase Agreements shall be entered into only with broker/dealers who are recognized as Primary Dealers with the Federal Reserve Bank of New York or with firms that have a primary dealer within their holding company structure. Reverse Repurchase Agreement counterparties shall execute an MTS-approved Master Repurchase Agreement with MTS. The Chief Financial Officer shall maintain a copy of MTS's approved Master Repurchase Agreement along with a list of the broker/dealers who have executed such an agreement.

The Reverse Repurchase Agreement exposure to a single broker-dealer shall not exceed 10% of MTS's total portfolio.

9. State of California's Local Agency Investment Fund (LAIF), pursuant to California Government Code Section 16429.1. There

is no limit on the percentage of MTS's portfolio that may be invested in LAIF, though LAIF may impose statutory limits.

10. The San Diego County Treasurer's Pooled Money Fund (SDPMF). There is no limit on the percentage of MTS's total portfolio that may be invested in SDPMF.
11. A Joint Powers Authority Pool (JPAP), pursuant to California Government Code Section 53601(p) as long as the portfolio is rated among the top two rating categories by a NRSRO. Such a pool must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management of at least \$500,000,000, and has at least five years of experience investing in instruments authorized by Section 53601(a-o). Examples of such pools include, but are not limited to, those offered by the California Asset Management Program (CAMP) and the Investment Trust of California (CalTrust). There is no limit on the percentage of JPAPs which offer daily (same-day) liquidity that may be held in MTS's portfolio; however, the aggregate investment in any JPAPs which do not offer daily liquidity shall not exceed 2.5% of MTS's total portfolio.
12. Medium Term Notes (MTN) issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States with a final maturity not exceeding five years from the date of trade settlement. These notes must be rated in a rating category of "A", its equivalent, or higher by a NRSRO.  
  
No more than 10% of MTS's total portfolio shall be invested in medium term notes of any one issuer, the maximum exposure to a single issuer shall be 10% of total portfolio value inclusive of any other non-MTN investments with said issuer, and the aggregate investment in medium term notes shall not exceed 30% of MTS's total portfolio.
13. Money Market Funds registered under the Investment Company Act of 1940 that 1) are "no-load" (meaning no commission or fee shall be charged on purchases or sales of shares); 2) have a constant net asset value per share of \$1.00; 3) invest only in the securities and obligations authorized by State statute and 4) have attained the highest ranking or the highest letter and numerical rating provided by at least two NRSROs, or retained an investment advisor registered or exempt from registration (such as a bank holding company regulated by the Federal Deposit Insurance Corporation) with the Securities and Exchange

Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500,000,000.

No more than 10% of MTS's total portfolio shall be invested in money market funds of any one issuer, and the aggregate investment in money market funds shall not exceed 20% of MTS's total portfolio.

14. Municipal bonds that are listed below with a final maturity not exceeding five years from the date of trade settlement and that must be rated in a rating category of "A," its equivalent, or higher by a NRSRO at the time of purchase. No more than 5% of MTS's total portfolio shall be invested in any single issuer, and the aggregate investment in municipal bonds shall not exceed 30% of MTS's total portfolio.
  - (a) Bonds issued by MTS, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by MTS or by a department, board, agency, or authority of MTS.
  - (b) Registered State warrants or treasury notes or bonds of the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the State or by a department, board, agency, or authority of the State.
  - (c) Bonds, notes, warrants, or other evidences of indebtedness of a local agency within California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.
  - (d) Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.
15. Supranationals, which are United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance



Corporation (IFC), or Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States.

Investments under this subdivision shall be rated in the rating category of "AA," its equivalent, or better by at least one NRSRO. Purchases of supranational shall not exceed 30% of the investment portfolio of MTS, and the exposure to a single supranational issuer shall not exceed 10% of the investment portfolio of MTS.

16. Mortgage pass-through securities, collateralized mortgage obligations, mortgage-backed or other pay-through bonds, equipment lease-backed certificates, consumer receivable pass-through certificates, or consumer receivable-backed bonds. For securities eligible for investment under this subdivision not issued or guaranteed by an agency or issuer identified in Sections 53601(b) or 53601(f) of the California Government Code, the following limitations apply: the individual security must be rated in a category of "AA," its equivalent, or better by at least one NRSRO and have a maximum remaining maturity of five years or less; and purchases of securities authorized by this subdivision may not exceed 20% of MTS's total portfolio.
17. Commercial paper, debt securities, or other obligations of a public bank, as defined in Section 57600 of the California Government Code.

### 30.9 PROHIBITED INVESTMENTS

In accordance with Section 53601.6 of the California Government Code, MTS shall not invest any funds in inverse floaters, range notes or mortgage-derived interest-only strips, or in any security that could result in zero-interest accrual if held to maturity, with the following exception: in accordance with Section 53601.6(b)(2), MTS may invest in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates.

### 30.10 INVESTMENT POOLS

MTS allows investments in public agency investment pools (per Sections 30.8.9 – 30.8.11). Although many of these pools are long-standing, the Chief Financial Officer will annually obtain operating information from each utilized pool which includes the information detailed in Section 30.15 of this Investment Policy Statement.

30.11 MATURITY

MTS will not invest in instruments whose maturities exceed five years at the time of trade settlement unless the MTS Board has provided approval for a specific purpose at least three months before the investment is made. The Chief Financial Officer shall be responsible for determining and monitoring an average maturity which meets MTS's projected cash flow requirements and shall be reported to the MTS Board as required under State Law. The average duration of any externally managed fund utilized by MTS shall not exceed 150 percent of the duration of the appropriate benchmark for that fund.

30.12. SELECTION OF DEPOSITORIES

The Chief Financial Officer shall only utilize FDIC insured banks eligible to provide depository and other banking services for MTS. To be eligible, a bank must qualify as a depository of public funds in the State of California as defined in California Government Code Section 53630.5 and shall secure deposits in excess of FDIC insurance coverage in accordance with California Government Code Section 53652.

30.13. SAFEKEEPING & CUSTODY

The Chief Financial Officer may select one or more banks to provide third-party safekeeping and custodial services for MTS, in accordance with the provisions of Section 53608 of the California Government Code. A Safekeeping Agreement approved by MTS shall be executed with each custodian bank prior to utilizing that bank's safekeeping services. Custodian banks will be selected on the basis of their ability to provide services for MTS's account and the competitive pricing of their safekeeping related services.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. All securities shall be held in the name of MTS, with sufficient evidence to title consistent with modern investment, banking and commercial practices.

All investment securities, except non-negotiable certificates of deposit, money market funds, and public agency investment pools, purchased by MTS will be delivered by book entry and will be held in third-party safekeeping by an MTS-approved custodian bank or its Depository Trust Company (DTC) participant account.

All Fed wireable book entry securities owned by MTS shall be held in the Federal Reserve System in a customer account for the custodian bank which will name MTS as "customer."

All DTC eligible securities shall be held in the custodian bank's DTC participant account and the custodian bank shall provide evidence that the securities are held for MTS as "customer."

#### 30.14. DIVERSIFICATION

MTS shall diversify its investments to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. Nevertheless, the asset allocation in the portfolio should be managed depending upon the outlook for the economy, the securities markets, and MTS's anticipated cash flow needs.

#### 30.15. REPORTING

Quarterly, the Chief Financial Officer shall submit to the MTS Board a report of the investment earnings and performance results of MTS's investment portfolio. The report shall be submitted within 60 days following the end of the quarter, and shall include the following information for each individual investment:

1. Investment type, issuer, purchase date (trade and settlement), date of maturity, par value, purchase price and dollar amount invested in all securities, and investments and monies held by MTS;
2. A description of the funds, investments and programs;
3. A market value as of the date of the report (or the most recent valuation as to assets not valued monthly) and the source of the valuation;
4. Current period yield (based on cost) and rates of return for short-term and mid-term investments, including comparison to established benchmarks;
5. A statement of compliance with this Investment Policy or an explanation for non-compliance; and
6. A statement of MTS's ability to meet expenditure requirements for six months, and an explanation of why money will not be available if that is the case.

For investments in authorized investment pools, the most recent statement received from these pools may be used in lieu of the information listed above.

#### 30.16 INTERNAL CONTROLS

The Chief Financial Officer (or the Corporate Controller, or the Director of Financial Planning and Analysis, if delegated) shall establish a system of internal controls, which shall be documented in writing. The internal controls will be reviewed with both the outside independent auditor and MTS's internal auditor. The controls shall be designed to prevent loss of public funds arising from fraud, employee error, or misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by employees and officers of MTS. Controls deemed most important include: control of collusion, segregation of duties, separating transaction authority from accounting and record keeping, custodial safekeeping, clear delegation of authority, written (email or faxed allowable) confirmation of telephone transactions, documentation of transactions and strategies and code of ethical standards.

### 30.17 PERFORMANCE STANDARDS

The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. The performance of MTS's portfolio and any external investment managers shall be compared to appropriate benchmark indices.

### 30.18 REVIEW, ADOPTION & AMENDMENTS

This Investment Policy shall be reviewed biennially by the MTS Board. Such review shall include review of the "Summary of Statutory Changes" and Figure 1 (Allowable Investment Instruments per State Government Code) in the Local Agency Investment Guidelines. The MTS Investment Policy may not be altered, amended or changed in any particular way, except by formal approval of the MTS Board.

Attachments: Figure 1: Summary of California Code and MTS Policy  
Table of Notes for Figure 1  
Glossary of Investment Terms and Instruments

Original Policy accepted on 10/23/86.  
Policy revised on 9/23/93.  
Policy repealed and readopted 6/13/96.  
Policy revised on 12/11/97.  
Policy revised on 8/12/99.  
Policy revised on 8/10/00.  
Policy revised on 9/13/01.  
Policy revised on 3/11/04.  
Policy revised on 6/14/07.

Policy revised on 10/11/18.

Policy revised on 05/14/2020.

Policy revised on 12/16/2021.

Policy revised on 11/10/2022.

Policy ~~Revised-revised~~ on 11/14/2024

Policy revised on 9/17/2026

Figure 1: Summary of California Code and MTS Policy

| INVESTMENT TYPE                                                | CA CODE<br>MAXIMUM<br>MATURITY <sup>C</sup> | CA CODE<br>MAXIMUM<br>SPECIFIED<br>% OF PORTFOLIO <sup>D</sup>                                                                              | CA CODE<br>MINIMUM QUALITY<br>REQUIREMENTS                    | MTS POLICY<br>MAXIMUM<br>SPECIFIED<br>% OF PORTFOLIO <sup>D</sup> | MTS POLICY<br>MINIMUM QUALITY<br>REQUIREMENTS     |
|----------------------------------------------------------------|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------|
| Local Agency Bonds                                             | 5 years                                     | None                                                                                                                                        | None                                                          | 30%                                                               | "A" rating category or its equivalent or better   |
| U.S. Treasury Obligations                                      | 5 years                                     | None                                                                                                                                        | None                                                          | Same as CA Code                                                   | Same as CA Code                                   |
| State Obligations—CA And Others                                | 5 years                                     | None                                                                                                                                        | None                                                          | 30%                                                               | "A" rating category or its equivalent or better   |
| CA Local Agency Obligations                                    | 5 years                                     | None                                                                                                                                        | None                                                          | 30%                                                               | "A" rating category or its equivalent or better   |
| U.S Agency Obligations                                         | 5 years                                     | None                                                                                                                                        | None                                                          | Same as CA Code                                                   | Same as CA Code                                   |
| Bankers' Acceptances                                           | 180 days                                    | 40% <sup>E</sup>                                                                                                                            | None                                                          | Same as CA Code                                                   | "A-1" rating category or its equivalent or better |
| Commercial Paper—Pooled Funds <sup>I</sup>                     | 397270 days                                 | 40% of the agency's money <sup>G</sup>                                                                                                      | Highest letter and number rating by an NRSRO <sup>H</sup>     | Same as CA Code                                                   | Same as CA Code                                   |
| Commercial Paper—Non-Pooled Funds <sup>F</sup>                 | 397270 days                                 | If investment assets <\$100 million, 25% of the agency's money; if investment assets >\$100 million, 40% of the agency's money <sup>G</sup> | Highest letter and number rating by an NRSRO <sup>H</sup>     | 25%                                                               | Same as CA Code                                   |
| Negotiable Certificates of Deposit                             | 5 years                                     | 30% <sup>J</sup>                                                                                                                            | None                                                          | Same as CA Code                                                   | "A" rating category or its equivalent or better   |
| Non-negotiable Certificates of Deposit                         | 5 years                                     | None                                                                                                                                        | None                                                          | 30%                                                               | Same as CA Code                                   |
| Placement Service Deposits                                     | 5 years                                     | 50%                                                                                                                                         | None                                                          | 30%                                                               | Same as CA Code                                   |
| Placement Service Certificates of Deposit                      | 5 years                                     | 50%                                                                                                                                         | None                                                          | 30%                                                               | Same as CA Code                                   |
| Repurchase Agreements                                          | 1 year                                      | None                                                                                                                                        | None                                                          | 40%                                                               | Same as CA Code                                   |
| Reverse Repurchase Agreements & Securities Lending Agreements  | 92 days <sup>L</sup>                        | 20% of the base value of the portfolio                                                                                                      | None <sup>M</sup>                                             | Same as CA Code                                                   | Same as CA Code                                   |
| Medium-Term Notes <sup>N</sup>                                 | 5 years                                     | 30%                                                                                                                                         | "A" rating category or its equivalent or better               | Same as CA Code                                                   | Same as CA Code                                   |
| Mutual Funds And Money Market Mutual Funds                     | N/A                                         | 20%                                                                                                                                         | Multiple <sup>P,Q</sup>                                       | Same as CA Code                                                   | Same as CA Code                                   |
| Collateralized Bank Deposits <sup>R</sup>                      | 5 years                                     | None                                                                                                                                        | None                                                          | Same as CA Code                                                   | Same as CA Code                                   |
| Mortgage Pass-Through and Asset-Backed Securities <sup>S</sup> | 5 years                                     | 20%                                                                                                                                         | "AA" rating category or its equivalent or better <sup>S</sup> | Same as CA Code                                                   | Same as CA Code                                   |
| County Pooled Investment Funds                                 | N/A                                         | None                                                                                                                                        | None                                                          | Same as CA Code                                                   | Same as CA Code                                   |
| Joint Powers Authority Pool                                    | N/A                                         | None                                                                                                                                        | Multiple <sup>T</sup>                                         | 2.5% on Pools not offering daily liquidity                        | Same as CA Code                                   |
| Local Agency Investment Fund (LAIF)                            | N/A                                         | None                                                                                                                                        | None                                                          | Same as CA Code                                                   | Same as CA Code                                   |
| Voluntary Investment Program Fund <sup>U</sup>                 | N/A                                         | None                                                                                                                                        | None                                                          | Same as CA Code                                                   | Same as CA Code.                                  |
| Supranational Obligations <sup>V</sup>                         | 5 years                                     | 30%                                                                                                                                         | "AA" rating category or its equivalent or better              | Same as CA Code                                                   | Same as CA Code                                   |
| Public Bank Obligations                                        | 5 years                                     | None                                                                                                                                        | None                                                          | Same as CA Code                                                   | Same as CA Code                                   |

## TABLE OF NOTES FOR FIGURE 1

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| <p>A. Sources: Sections 16340, 16429.1, 27133, 53601, 53601.6, 53601.8, 53630 et seq., 53635, 53635.8, and 57603.</p> <p>B. Municipal Utilities Districts have the authority under the Public Utilities Code Section 12871 to invest in certain securities not addressed here.</p> <p>C. Section 53601 provides that the maximum term of any investment authorized under this section, unless otherwise stated, is five years. However, the legislative body may grant express authority to make investments either specifically or as a part of an investment program approved by the legislative body that exceeds this five year maturity limit. Such approval must be issued no less than three months prior to the purchase of any security exceeding the five-year limit.</p> <p>D. Percentages apply to all portfolio investments regardless of source of funds. For instance, cash from a reverse repurchase agreement would be subject to the restrictions.</p> <p>E. No more than <u>530</u> percent of the agency's money may be in bankers' acceptances of any one <u>issuercommercial bank</u>.</p> <p>F. Includes agencies defined as a "city, a district, or other local agency that do[es] not pool money in deposits or investment with other local agencies, other than local agencies that have the same governing body."</p> <p>G. Local agencies, other than counties or a city and county, may <u>investpurchase</u> no more than 10 percent of <u>their investment assets in</u> the outstanding commercial paper and medium-term notes of any single issuer.</p> <p>H. Issuing corporation must be organized and operating within the U.S., have assets in excess of \$500 million, and debt other than commercial paper must be in a rating category of "A" or its equivalent or higher by a nationally recognized statistical rating organization, or the issuing corporation must be organized within the U.S. as a special purpose corporation, trust, or LLC, have program wide credit enhancements, and have commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating agency.</p> <p>I. Includes agencies defined as a county, a city and county, or other local agency "that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body." Local agencies that pool exclusively with other local agencies that have the same governing body must adhere to the limits set forth in Section 53601(h)(2)(C).</p> <p>J. No more than 30 percent of the agency's money may be in negotiable certificates of deposit that are authorized under Section 53601(i).</p> <p>K. Effective January 1, 2020, no more than 50 percent of the agency's money may be invested in deposits, including certificates of deposit, through a placement service as authorized under 53601.8 (excludes negotiable certificates of deposit authorized under Section 53601(i)). On January 1, <u>20312026</u>, the maximum percentage of the portfolio reverts back to 30 percent. Investment made pursuant to 53635.8 remain subject to a maximum of 30 percent of the portfolio.</p> | <p>L. Reverse repurchase agreements or securities lending agreements may exceed the 92-day term if the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity dates of the same security.</p> <p>M. Reverse repurchase agreements must be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state chartered bank that has a significant relationship with the local agency. The local agency must have held the securities used for the agreements for at least 30 days.</p> <p>N. "Medium-term notes" are defined in Section 53601 as "all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States"</p> <p>O. No more than 10 percent invested in any one mutual fund. This limitation does not apply to money market mutual funds.</p> <p>P. A mutual fund must receive the highest ranking by not less than two nationally recognized rating agencies or the fund must retain an investment advisor who is registered with the SEC (or exempt from registration), have assets under management in excess of \$500 million, and have at least five years' experience investing in instruments authorized by Sections 53601 and 53635.</p> <p>Q. A money market mutual fund must receive the highest ranking by not less than two nationally recognized statistical rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years' experience investing in money market instruments with assets under management in excess of \$500 million.</p> <p>R. Investments in notes, bonds, or other obligations under Section 53601(n) require that collateral be placed into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, among other specific collateral requirements.</p> <p>S. Security types authorized under Section 53601(o) that are issued or guaranteed by an issuer identified in subdivisions (b) or (f) are not subject to the limitations placed on privately issued securities authorized in Section 53601(o)(2)(A)(B).</p> <p>T. A JPAP must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Section 53601, subdivisions (a) to (o).</p> <p><u>U.</u> Upon approval by their governing bodies, local entities can deposit \$200 million to \$10 billion into the Voluntary Investment Program Fund. Deposits in the fund will be invested in the Pooled Money Investment Account.</p> <p><u>U.</u></p> <p>V. Only those obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less.</p> |
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## GLOSSARY OF INVESTMENT TERMS AND INSTRUMENTS

| Term                   | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Banker's Acceptance    | A short-term bill of exchange that is accepted as payment by banks engaged in financing physical asset or merchandise trade.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Benchmark              | A passive index used to compare the performance, relative to risk and return, of an investor's portfolio.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Bond                   | A debt obligation of a firm or public entity. A bond represents the agreement to repay the debt in principal and, typically, in interest on the principal.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Broker/Dealer          | A person or a firm who can act as a broker or a dealer depending on the transaction. A broker brings buyers and sellers together for a commission. They do not take a position. A dealer acts as a principal in all transactions, buying and selling for his own account.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| CalTrust               | The Investment Trust of California (CalTrust) is a Joint Powers Authority created by public agencies in 2003 to provide a convenient method for public agencies to pool their assets for investment purposes. CalTrust is governed by a Board of Trustees made up of experienced local agency treasurers and investment officers. CalTrust offers Short-Term, Medium-Term, and Money Market funds managed by State Street <del>Investment Management</del> Global Advisors. The Money Market fund offers daily (same-day) liquidity. All CalTrust accounts comply with the limits and restrictions placed on local investments by California statutes.                                                                                                                                                                                     |
| CAMP                   | The California Asset Management Program (CAMP) is a California Joint Powers Authority established in 1989 to provide California public agencies, together with any bond trustee acting on behalf of such public agency, assistance with the investment of and accounting for bond proceeds and surplus funds. The CAMP Pool is a short-term money market and cash management vehicle managed by PFM Asset Management LLC. The Pool seeks to attain as high a level of current income as is consistent with the preservation of principal. It seeks to maintain a constant Net Asset Value of \$1 per share and a dollar-weighted average portfolio maturity of 60 days or less. The Pool purchases only investments of the type in which public agencies are permitted by statute to invest surplus funds and proceeds of their own bonds. |
| Cash Flow              | A comparison of cash receipts (revenues) to required payments (debt service, operating expenses, etc.).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Certificate of Deposit | A short-term, secured deposit in a financial institution that usually returns principal and interest to the lender at the end of the loan period. Certificates of Deposits (CDs) differ in terms of collateralization and marketability. Those appropriate to public agency investing include: Negotiable Certificates of Deposit, Non-Negotiable Certificates of Deposit.                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |



| Term                                           | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Commercial Paper                               | A short-term, unsecured promissory note issued by a corporation. Prime paper includes those having Moody's ratings of P-3 and above.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Corporate Notes & Bonds                        | Debt instruments, typically unsecured, issued by corporations, with original maturities in most cases greater than one year and less than ten years.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Credit Risk                                    | The chance that an issuer will be unable to make scheduled payments of interest and principal on an outstanding obligation. Another concern for investors is that the market's perception of a corporation's credit will cause the market value of a security to fall, even if default is not expected.                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Credit Rating                                  | Various alphabetical and numerical designations used by institutional investors, Wall Street underwriters, and commercial rating companies to give relative indications of bond and note creditworthiness. Standard & Poor's and Fitch Ratings use the same system, starting with their highest of "AAA, AA, A, BBB, BB, B, CCC, CC, C, and D" for default. Moody's Investor Services uses "Aaa, Aa, A, Baa, Ba, B, Caa, Ca, C, and D". Each of the services use pluses (+), minuses (-), or numerical modifiers to indicate steps within each category. The top four letter categories are considered investment grade ratings.                                                                                                               |
| Duration                                       | A fixed-income metric that measures the sensitivity of a bond or portfolio to changes in interest rates. A portfolio or security with a higher duration will experience larger changes in market value as interest rates change.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Federal Agency and Instrumentality Obligations | <p>Obligations issued by a government sponsored entity or a federally regulated institution. Federal Agencies and U.S. Government Sponsored Enterprises are U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (housing, agriculture). They include:</p> <ul style="list-style-type: none"> <li>▪ Federal Home Loan Banks (FHLB)</li> <li>▪ Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")</li> <li>▪ Federal National Mortgage Association (FNMA or "Fannie Mae")</li> <li>▪ Federal Farm Credit Banks (FFCB)</li> <li>▪ Student Loan Marketing Association (SLMA or "Sallie Mae")</li> <li>▪ Tennessee Valley Authority (TVA)</li> </ul> |
| Inverse Floater                                | An inverse floater is a bond or other type of debt whose coupon rate has an inverse relationship to a benchmark rate. An inverse floater adjusts its coupon payment as the interest rate changes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Issuer                                         | Any corporation, governmental unit, or financial institution that borrows money through the sale of securities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Joint Powers Authority Pool                    | Joint Powers Authorities are legally created entities that allow two or more public agencies to jointly exercise common powers. Under California Government Code Section 6509.7, public agencies that have the authority to invest funds in their treasuries may, by agreement, jointly exercise that common power by issuing shares of beneficial                                                                                                                                                                                                                                                                                                                                                                                             |

| Term                                         | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                              | interest to participating public agencies. Each share represents an equal proportionate interest in the underlying pool of securities owned by the Joint Powers Authority.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| LAIF                                         | The Local Agency Investment Fund (LAIF), a voluntary program created by statute, began in 1977 as an investment alternative for California's local governments and special districts and continues today under the State of California Treasurer's office. This program offers participating agencies the opportunity to participate in a major portfolio which daily invests hundreds of millions of dollars, using the investment expertise of the State Treasurer's Office Investment staff. The LAIF is part of the Pooled Money Investment Account (PMIA), which began in 1955 and is overseen by a Board and an Investment Committee. The Local Investment Advisory Board provides oversight for LAIF. All securities are purchased under the authority of the Government Code Section 16430 and 16480.4. The State Treasurer's Office takes delivery of all securities purchased on a delivery versus payment basis using a third party custodian. All investments are purchased at market, and market valuation is conducted monthly. Deposits are subject to statutory limits. |
| Liquidity                                    | The ease with which an investment may be converted to cash, either by selling it in the secondary market or by demanding its repurchase pursuant to a put or other prearranged agreement with the issuer or another party.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Market Risk                                  | The chance that the value of a security will decline as interest rates rise. In general, as interest rates fall, prices of fixed income securities rise. Similarly, as interest rates rise, prices fall. Market risk also is referred to as systematic risk or risk that affects all securities within an asset class similarly.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Maturity                                     | The stated date on which all or a stated portion of the principal amount of a security becomes due and payable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Money Market Fund                            | A type of investment comprising a variety of short-term securities with high quality and high liquidity. The fund provides interest to shareholders and must strive to maintain a stable net asset value (NAV) of \$1 per share.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Mortgage – Derived Interest only (IO) Strips | Mortgage-derived Interest only (IO) strips are a security where the holder receives a non-principal portion of the payments on the underlying mortgages. An interest only strip is created by separating the principal and interest portions of the payments on the underlying loan pool and selling them as distinct products. The process of separating the payments on the underlying debts is known as stripping. Although interest only strips can be created out of any debt-backed security that generates periodic payment, the term is strongly associated with mortgage-backed securities (MBS). The mortgage-backed securities that go through the process that separates the interest and principal payment streams are referred to as stripped MBS. The investor in the                                                                                                                                                                                                                                                                                                    |

| Term                                                          | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                               | interest only stream benefits when prepayment rate on the underlying debt is low and interest rates are rising.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Nationally Recognized Statistical Rating Organization (NRSRO) | The formal term to describe credit rating agencies that provide credit ratings that are used by the U.S. government in several regulatory areas. Ratings provided by Nationally Recognized Statistical Ratings Organizations (NRSRO) are used frequently by investors and are used as benchmarks by federal and state agencies. Generally, to be considered an NRSRO, the agency has to be "nationally recognized" in the U.S. and provide reliable and credible ratings. Also taken into consideration is the size of the credit rating agency, operational capability and its credit rating process. Some examples of NRSRO's include Moody's Investors Service Inc., Standard and Poor's Inc., Fitch Inc., Dominion Bond Rating Services Limited (DBRS) and A.M. Best Company Inc.                                                                                                                                                                                                                                |
| Notes                                                         | Debt obligations of a firm or public entity, usually maturing in less than ten years.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Pass-Through Security                                         | A pass-through security is a security backed by a pool of mortgage loans or other debt instruments that provides the holder with the cash flow from the mortgage/debt payments. This income is passed through from the debtor to the investor by the financial institution or government agency issuing the security. The income payments are derived from and collateralized (or "backed") by a specified pool of underlying assets which are receivables. Pooling the assets into financial instruments allows them to be sold to general investors, a process called securitization, and allows the risk of investing in the underlying assets to be diversified because each security will represent a fraction of the total value of the diverse pool of underlying assets. The pools of underlying assets can comprise common payments such as credit cards, auto loans, mortgage loans, and other types of assets. Interest and principal is paid to investors from borrowers who are paying down their debt. |
| Portfolio                                                     | The combined holdings of all of an investor's investment assets.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Public Bank                                                   | A corporation organized under the Nonprofit Mutual Benefit Corporation Law or the Nonprofit Public Benefit Corporation Law for the purpose of engaging in the commercial banking business or industrial banking business that is wholly owned by a local agency or agencies, or a Joint Powers Authority.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Range Accrual Note                                            | A range accrual note is a type of financial derivative product where the earning, or accrual, of the coupon rate, depends on the value of an index. The index could be an interest rate, currency exchange rate, the price of a commodity or stock index. If the index value falls within a specified range, the coupon accrues or is credited, interest. If the index value falls outside of the specified range, the coupon rate does not accumulate.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Repurchase Agreement                                          | From the perspective of a local agency, the short-term, often overnight, purchase of securities with an agreement to resell the securities to the counterparty seller on or before a specified date at an agreed upon price.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

| Term                           | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reverse Repurchase Agreement   | From the perspective of a local agency, the sale of securities with an agreement to repurchase the securities from the counterparty buyer on or before a specified date at a specified price.                                                                                                                                                                                                                                                                                                                        |
| Return                         | The principal gains or losses (realized and unrealized) plus interest on an investment or portfolio of investments. In certain unfavorable market environments or due to risk factors, income derived from principal and interest may be less than the original amount invested.                                                                                                                                                                                                                                     |
| Risk                           | The uncertainty of maintaining the principal or interest associated with an investment due to a variety of factors.                                                                                                                                                                                                                                                                                                                                                                                                  |
| State & Local Investment Pools | The combined deposits of state and local agencies organized and operated by the state treasurer or a Joint Powers Agreement between local agencies. Deposits of various participating local agencies are pooled and invested. Each agency's returns are based upon their share of the amount invested in the pool. This increases investment efficiencies, decreases costs, provides liquidity, and utilizes investment expertise of the pool managers.                                                              |
| Supranational                  | A supranational entity is formed by two or more central governments with the purpose of promoting economic development for the member countries. Supranational institutions finance their activities by issuing debt, such as supranational bonds. Examples of supranational institutions include the European Investment Bank and the World Bank. Similarly to the government bonds, the bonds issued by these institutions are considered direct obligations of the issuing nations and have a high credit rating. |
| Treasury Bill                  | A Treasury bill (T-Bill) is a short-term debt obligation backed by the Treasury Department of the U.S. government with a maturity of less than one year, sold in denominations of \$1,000 up to a maximum purchase of \$5 million. T-bills have various maturities and are issued at a discount from par.                                                                                                                                                                                                            |
| Treasury Bond                  | A Treasury bond (T-Bond) is a marketable, fixed-interest U.S. government debt security with a maturity of more than 10 years. Treasury bonds make interest payments semi-annually, and the income received is only taxed at the federal level. Treasury bonds are known in the market as primarily risk-free; they are issued by the U.S. government with very little risk of default.                                                                                                                               |
| Treasury Note                  | A Treasury note is a marketable U.S. government debt security with a fixed interest rate and a maturity between one and ten years. Treasury notes are available from the government with either a competitive or noncompetitive bid. With a competitive bid, investors specify the yield they want, at the risk that their bid may not be approved; with a noncompetitive bid, investors accept whatever yield is determined at auction.                                                                             |
| Treasury STRIPS                | Treasury STRIPS are fixed-income securities sold at a significant discount to face value and offer no interest payments because they                                                                                                                                                                                                                                                                                                                                                                                 |

| Term              | Description                                                                                                                                                                                                                                                                                                                                                    |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   | mature at par. STRIPS is an acronym for Separate Trading of Registered Interest and Principal of Securities. These zero-coupon bonds come about when the bond's coupons are separated from the bond or note; and investor's return is determined by the difference between the purchase price and the bond's trading value, or face value if held to maturity. |
| Yield to Maturity | The rate of income return on an investment, minus any premium above par or plus any discount with the adjustment spread over the period from the date of the purchase to the date of maturity of the bond.                                                                                                                                                     |



**DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 9/3/2026**

## **Agenda Item No. 20**

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

**September 17, 2026**

**SUBJECT:**

**On-Call Job Order Contracting (JOC) Railroad General Electrical, Communication, and Traffic Signal 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. PWL461.0-26 (in substantially the same format as Attachment A), with HMS Construction, Inc. (HMS), for on-call railroad general electrical, communication, and traffic signal construction services, to not exceed the statutory JOC limits under Public Contract Code Section 20128.5, calculated to be in the amount of \$6,642,000.00, for one (1) year beginning October 1, 2026.

**Budget Impact**

No specific spending is authorized by this agenda item. The maximum amount that can be spent is \$6,642,000.00 based on the calculated statutory JOC limits. The contract will be funded by various MTS capital budget accounts. Funding will be included in the budget of each project for which a work order will be issued under this agreement. Individual projects/task orders will be processed according to the signature authority set forth in Board Policy No. 41 (e.g. task orders under \$150,000 will be approved by the CEO; task orders over \$150,000 will require Board approval).

**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 and responsible bidder, MTS staff compares each contractor's proposed adjustment factor.

MTS's enabling legislation at Public Utilities Code Section 120222 authorizes MTS to use any procurement method authorized for state or local agencies under state or federal law. Certain public entities in California are expressly authorized to use the JOC process within limited parameters. MTS's abilities to utilize the JOC contracting process is premised upon the statutory allowance granted to such entities. Public Contract Code Section 20128.5, effective January 1, 1998, allows the Board of Supervisors of a County to utilize JOCs up to \$3,000,000.00 annually, adjusted annually to reflect the percent change in the California Consumer Price Index. CPI calculations through February 1<sup>st</sup>, 2026 allow JOC contract amounts of up to \$6,642,000.00 annually. MTS maintains internal contract administration guidelines to ensure compliance with the annual maximum in JOC work orders.

The JOC contract under consideration is primarily for, but is not limited to, general railroad electrical and communications work contracting services including network communications, fiber optic network installations, Variable Message Sign (VMS), Closed Circuit TV (CCTV), fare system, Train to Wayside communications, traffic lights, traffic signalization and synchronization systems, and all required incidental and supplemental professional and technical services and work.

On May 14, 2026, MTS issued an Invitation for Bids (IFB) seeking a contractor to provide JOC railroad general electrical, communications, and traffic signal 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) – 3%
- Item 2: Other Than Normal Hours (Non-Railroad Right-of-Way) – 2%
- Item 3: Normal Working Hours Along Railroad Right-of-Way – 75%
- Item 4: Other Than Normal Hours Along Railroad Right-of-Way – 15%
- Item 5: Restricted Work Shift – 5%

On July 17, 2026, two (2) bids were received from the following firms listed in the table below:

| Contractor     | Certifications | Total Score |
|----------------|----------------|-------------|
| Balfour Beatty | None           | 1.2169      |
| HMS            | None           | 1.2000      |

The low bid is considered to be the lowest cumulative adjustment factor over the pre-priced catalog. Therefore, MTS determined that HMS was the lowest responsive and responsible bidder. Staff determined that the solicitation was conducted in a fair and open manner. Based on historical results for these and other JOC services, MTS Procurement staff determined HMS's adjustment factor to be fair and reasonable.

Today's proposed action would authorize the award of this on-call contract to HMS Construction, Inc. 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 \$150,000 will be approved by the CEO; task orders over \$150,000 will require Board approval). Any individual work order estimated to be over \$1,000,000.00 will require compliance with MTS's Project Labor Agreement. If subcontractors

are needed for any individual work order, the Contractor will designate the list of subcontracts at that time.

MTS staff currently estimates that approximately \$3,000,000.00 in capacity is needed for projected railroad general electrical, communication, and traffic signal construction services JOC work order needs in Fiscal Year 2027. However, JOC work orders are a key tool in MTS's emergency response and recovery plan since they provide an expedited path to authorize work at competitively set rates. They also sometimes accommodate work that is funded by new grant opportunities that were not anticipated at the time of the JOC contract award. Therefore, staff recommends this proposed JOC master agreement allow JOC work orders up to the annual statutory limit of \$6,642,000.00 to provide capacity for emergencies and other unexpected funding allocations and project work.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS Doc. No. PWL461.0-26 (in substantially the same format as Attachment A), with HMS, for on-call railroad general electrical, communication, and traffic signal construction services, to not exceed the statutory JOC limits under Public Contract Code Section 20128.5, calculated to be in the amount of \$6,642,000.00, for one (1) year beginning October 1, 2026.

/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. PWL461.0-26





**Metropolitan  
Transit  
System**

**STANDARD CONSTRUCTION AGREEMENT**

**FOR**

**MTS DOC. NO. PWL461.0-26**

**JOC RAILROAD GENERAL ELECTRICAL, COMMUNICATION, AND TRAFFIC SIGNAL  
CONSTRUCTION SERVICES**

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2026 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: <u>HMS Construction, Inc.</u>                      | Address: <u>2885 Scott Street</u>                                              |
|                                                          | <u>Vista</u> <u>CA</u> <u>92081</u>                                            |
| Form of Business: <u>Corporation</u>                     | <u>City</u> <u>State</u> <u>Zip</u>                                            |
| (Corporation, Partnership, Sole Proprietor, etc.)        | Email: <u><a href="mailto:Cmorales@hmsconco.com">Cmorales@hmsconco.com</a></u> |
| Telephone: <u>760-727-9808</u>                           |                                                                                |
| Authorized person to sign contracts <u>Chris Morales</u> | <u>CFO</u>                                                                     |
| <u>Name</u>                                              | <u>Title</u>                                                                   |

**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 General Conditions (Exhibit A), Scope of Work (Exhibit B), and in accordance with the Standard Construction Agreement and Special Conditions (Exhibit C), JOC Special Conditions (Exhibit D), Federal Requirements (Exhibit E), Forms (Exhibit F), Bid Form (Exhibit G), Contractor Bonds (Exhibit H), Construction Task Catalog (Exhibit I), and Technical Specifications (Exhibit J).

**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 RAILROAD GENERAL ELECTRICAL, COMMUNICATION, AND TRAFFIC SIGNAL  
CONSTRUCTION SERVICES**

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 of one (1) base year. Base period shall be effective October 1, 2026 through September 30, 2027. 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. In no event shall the value of total Work Orders exceed the statutory JOC limits under Public Contract Code Section 20128.5 (\$6,642,000.00 as of February 1<sup>st</sup>, 2026).

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.

**PROJECT LABOR AGREEMENT.**

Contractor shall comply with MTS's Project Labor Agreement for any individual work order estimated to be \$1,000,000 or more, as determined by MTS.

| SAN DIEGO METROPOLITAN TRANSIT<br>SYSTEM               | HMS CONSTRUCTION, INC. |
|--------------------------------------------------------|------------------------|
| By:<br>_____<br>Sharon Cooney, Chief Executive Officer | By<br>_____            |
| Approved as to form:                                   |                        |
| By:<br>_____<br>Karen Landers, General Counsel         | Title:<br>_____        |



**Metropolitan  
Transit  
System**

**DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 9/3/2026**

## **Agenda Item No. 21**

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

**September 17, 2026**

**SUBJECT:**

**On-Call Job Order Contracting (JOC) Railroad Signals, Overhead Catenary Systems, and Trackwork Construction – 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. PWL462.0-26 (in substantially the same format as Attachment A), with HMS Construction, Inc. (HMS), for on-call railroad signals, overhead catenary systems and, trackwork construction, to not exceed the statutory JOC limits under Public Contract Code Section 20128.5, calculated to be in the amount of \$6,642,000.00, for one (1) year beginning October 1, 2026.

**Budget Impact**

No specific spending is authorized by this agenda item. The maximum amount that can be spent is \$6,642,000.00 based on the calculated statutory JOC limits. The contract will be funded by various MTS capital budget accounts. Funding will be included in the budget of each project for which a work order will be issued under this agreement. Individual projects/task orders will be processed according to the signature authority set forth in Board Policy No. 41 (e.g. task orders under \$150,000 will be approved by the CEO; task orders over \$150,000 will require Board approval).

**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 pre-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.

MTS's enabling legislation at Public Utilities Code Section 120222 authorizes MTS to use any procurement method authorized for state or local agencies under state or federal law. Certain public entities in California are expressly authorized to use the JOC process within limited parameters. MTS's abilities to utilize the JOC contracting process is premised upon the statutory allowance granted to such entities. Public Contract Code Section 20128.5, effective January 1, 1998, allows the board of supervisors of a county to utilize JOCs up to \$3,000,000.00 annually, adjusted annually to reflect the percent change in the California Consumer Price Index. CPI calculations through February 1<sup>st</sup>, 2026 allow JOC contract amounts of up to \$6,642,000.00 annually. MTS maintains internal contract administration guidelines to ensure compliance with the annual maximum in JOC work orders.

The JOC contract under consideration consists primarily of, but is not limited to, railroad signal, overhead catenary system and trackwork improvements, including main line and trolley line railroad signals, grade crossing warning devices, overhead catenary, traction power, trackwork, special trackwork and related switch gear and wiring, traction power substations, and related civil construction improvements work; and all required incidental professional and technical series required for quality control monitoring and testing, and other disciplines as needed.

On May 14, 2026, MTS issued an Invitation for Bids (IFB) seeking a contractor to provide railroad signals, overhead catenary systems and, trackwork construction 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) – 15%
- Item 2: Other Than Normal Hours (Non-Railroad Right-of-Way) – 3%
- Item 3: Normal Working Hours Along Railroad Right-of-Way – 75%
- Item 4: Other Than Normal Hours Along Railroad Right-of-Way – 2%
- Item 5: Restricted Work Shift – 5%

On July 17, 2026, two (2) bids were received from the following firms listed in the table below:

| Contractor             | Certifications | Total Score |
|------------------------|----------------|-------------|
| Balfour Beatty         | None           | 1.2816      |
| HMS Construction, Inc. | None           | 1.2350      |

The low bid is considered to be the lowest cumulative adjustment factor over the pre-priced catalog. Therefore, MTS determined that HMS Construction, Inc. was the lowest responsive and responsible bidder. Staff determined that the solicitation was conducted in a fair and open manner. Based on historical results for these and other JOC services, MTS Procurement staff determined HMS's adjustment factor to be fair and reasonable.

Today's proposed action would authorize the award of this on-call contract to HMS Construction, Inc. 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. work orders under \$150,000 will be approved by the CEO; work orders over \$150,000 will require Board approval). Any individual work order estimated to be over \$1,000,000.00 will require compliance with MTS's Project Labor Agreement. If subcontractors

are needed for any individual work order, the Contractor will designate the list of subcontracts at that time.

MTS staff currently estimates that approximately \$2,500,000.00 in capacity is needed for projected railroad signals, overhead catenary systems, and trackwork construction JOC work order needs in Fiscal Year 2027. However, JOC work orders are a key tool in MTS's emergency response and recovery plan since they provide an expedited path to authorize work at competitively set rates. They also sometimes accommodate work that is funded by new grant opportunities that were not anticipated at the time of the JOC contract award. Therefore, staff recommends this proposed JOC master agreement allow JOC work orders up to the annual statutory limit of \$6,642,000 to provide capacity for emergencies and other unexpected funding allocations and project work.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS Doc. No. PWL462.0-26 (in substantially the same format as Attachment A), with HMS Inc., for on-call railroad signals, overhead catenary systems and, trackwork construction, to not exceed the statutory JOC limits under Public Contract Code Section 20128.5, calculated to be in the amount of \$6,642,000.00, for one (1) year beginning October 1, 2026.

/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. PWL462.0-26



**Metropolitan  
Transit  
System**

**STANDARD CONSTRUCTION AGREEMENT  
FOR**

**MTS DOC. NO. PWL462.0-26**

**JOC RAILROAD SIGNALS, OVERHEAD CATENARY SYSTEMS, AND TRACKWORK  
CONSTRUCTION**

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2026 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: <u>HMS Construction, Inc.</u>               | Address: <u>2885 Scott Street</u>                                              |
|                                                   | <u>Vista</u> <u>CA</u> <u>92081</u>                                            |
| Form of Business: <u>Corporation</u>              | <u>City</u> <u>State</u> <u>Zip</u>                                            |
| (Corporation, Partnership, Sole Proprietor, etc.) | Email: <u><a href="mailto:Cmorales@hmsconco.com">Cmorales@hmsconco.com</a></u> |
| Telephone: <u>760-727-9808</u>                    |                                                                                |
| Authorized person to sign contracts               | <u>Chris Morales</u> <u>CFO</u>                                                |
|                                                   | <u>Name</u> <u>Title</u>                                                       |

**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 General Conditions (Exhibit A), Scope of Work (Exhibit B), and in accordance with the Standard Construction Agreement and Special Conditions (Exhibit C), JOC Special Conditions (Exhibit D), Federal Requirements (Exhibit E), Forms (Exhibit F), Bid Form (Exhibit G), Contractor Bonds (Exhibit H), Construction Task Catalog (Exhibit I), and Technical Specifications (Exhibit J).

**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 RAILROAD SIGNALS, OVERHEAD CATENARY SYSTEMS, AND TRACKWORK CONSTRUCTION**

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 of one (1) base year. Base period shall be effective October 1, 2026 through September 30, 2027. 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. In no event shall the value of total Work Orders exceed the statutory JOC limits under Public Contract Code Section 20128.5 (\$6,642,000.00 as of February 1<sup>st</sup>, 2026).

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.

### **PROJECT LABOR AGREEMENT.**

Contractor shall comply with MTS's Project Labor Agreement for any individual work order estimated to be \$1,000,000 or more, as determined by MTS.



| SAN DIEGO METROPOLITAN TRANSIT<br>SYSTEM               | HMS CONSTRUCTION, INC. |
|--------------------------------------------------------|------------------------|
| By:<br>_____<br>Sharon Cooney, Chief Executive Officer | By<br>_____            |
| Approved as to form:                                   |                        |
| By:<br>_____<br>Karen Landers, General Counsel         | Title:<br>_____        |



**DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 9/3/2026**

## **Agenda Item No. 22**

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

**September 17, 2026**

**SUBJECT:**

Otay Mesa Transit Planning Study – 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. G3201.0-26 (in substantially the same format as Attachment A), with HDR Engineering, Inc. (HDR), for the Otay Mesa Transit Planning Study for a total amount of \$390,484.98.

**Budget Impact**

The total cost of this contract is estimated at \$390,484.98 (Attachment C). This project will be funded through a Caltrans Sustainable Transportation Planning Grant included in the MTS Planning Operating Budget account 451010-571210.

**DISCUSSION:**

Based on prior discussions by the MTS Board of Directors concerning transit needs in the Otay Mesa region and whether MTS should expand our transit services in this area, MTS staff developed a scope of work and pursued funding for a study of the Otay Mesa area to assess the community's transit needs and recommend network and infrastructure improvements.

Otay Mesa is located in the southern portion of the City of San Diego, immediately north of the U.S.-Mexico border. Over the past 20 years, growth in the community has outpaced the region, while transit funding and service have not kept pace. The area is also experiencing significant development and planned infrastructure improvements, including the Otay Mesa East Port of Entry, roadway extensions, and upgrades near the Cross Border Xpress (CBX), which provides access to and from Tijuana International Airport.

Several major employment, entertainment, and residential destinations currently have limited transit service, including Amazon, CBX, North Island Credit Union Amphitheatre/Sesame Place, and the Ocean View Hills community.

The study will evaluate these service gaps and identify opportunities to improve transit access and connectivity.



In January 2025, MTS applied for a Caltrans Sustainable Transportation Planning Grant to support the Otay Mesa Planning Study. In July 2025, MTS received notice that the application was awarded full funding. The grant will support the study and development of recommendations to address existing and future transit needs in the area.

On April 22, 2026, MTS issued a Request for Proposals (RFP) for the Otay Mesa Transit Planning Study and posted on PlanetBids. MTS received a total of four (4) proposals on the due date of June 8, 2026, from the following firms:

| Proposer                                  | Firm Certification |
|-------------------------------------------|--------------------|
| HDR                                       | None               |
| Kimley-Horn and Associates, Inc. (Kimley) | None               |
| Nelson Nygaard Consulting Associates      | None               |
| Transportation Management & Design, Inc.  | None               |

All proposals were deemed responsive and responsible and were forwarded to the evaluation committee. The evaluation committee was comprised of representatives from the MTS Bus Contract Services, Planning, Marketing, Taxi, and Finance Departments. The proposals were evaluated based on the following criteria:

| Criteria                                       | Percentage  |
|------------------------------------------------|-------------|
| 1. Qualifications of the Firm or Individual    | 25%         |
| 2. Staffing, Organization, and Management Plan | 25%         |
| 3. Work Plan                                   | 30%         |
| 4. Cost and Price                              | 20%         |
| <b>Total:</b>                                  | <b>100%</b> |

As a result of the initial review, HDR and KMA were the highest-ranked proposers and were deemed to be within the competitive range. MTS invited both firms for an in-person interview.

The table below summarizes the initial proposal scores:

| PROPOSER                           | TOTAL COST   | COST SCORE | AVG TECH SCORE | TOTAL AVG SCORE (TOTAL POSSIBLE: 100) | RANKING |
|------------------------------------|--------------|------------|----------------|---------------------------------------|---------|
| HDR                                | \$402,104.48 | 20.00      | 69.60          | 89.60                                 | 1       |
| KMA                                | \$449,740.68 | 17.88      | 64.80          | 82.68                                 | 2       |
| Transportation Management & Design | \$499,979.49 | 16.08      | 62.60          | 78.68                                 | 3       |
| Nelson Nygaard                     | \$499,696.46 | 16.09      | 54.40          | 70.49                                 | 4       |

On July 22, 2026, the evaluation panel conducted interviews with HDR and KMA to further understand each firm's proposed work plan, management, and overall experience on similar projects.

Following the interviews, the evaluation committee requested revised cost proposals from HDR and KMA. HDR reduced their cost by \$11,619.50 and Kimley-Horn and Associates reduced their cost by \$10,359.64. Based on the objectives of this procurement, consideration of the evaluation criteria and HDR's technical and cost proposals, the evaluation committee determined that HDR presented the best overall value to MTS.

The table below summarizes the final scores and rankings following the interviews and revised cost proposal:

| PROPOSER | TOTAL COST   | COST SCORE | AVG TECH SCORE | TOTAL AVG SCORE (TOTAL POSSIBLE: 100) | RANKING |
|----------|--------------|------------|----------------|---------------------------------------|---------|
| HDR      | \$390,484.98 | 20.00      | 69.40          | 89.40                                 | 1       |
| KMA      | \$439,381.04 | 17.77      | 70.00          | 87.77                                 | 2       |

In comparison to MTS's Independent Cost Estimate (ICE) in the amount of \$500,000 and proposals received, staff determined HDR's revised pricing to be fair and reasonable.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS Doc. G3201.0-26 (in substantially the same format as Attachment A), with HDR, for the Otay Mesa Transit Planning Study, for a total amount of \$390,484.98.

/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 Agreement MTS Doc. No. G3201.0-26  
B. Scope of Work  
C. Cost Proposal



# Metropolitan Transit System

## STANDARD AGREEMENT

### FOR

### MTS DOC. NO. G3201.0-26

### OTAY MESA TRANSIT PLANNING STUDY

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2026 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: HDR Engineering, Inc. Address: 1011 Union Street, Suite 220  
San Diego CA 92101  
City State Zip  
Form of Business: Corporation  
(Corporation, Partnership, Sole Proprietor, etc.) Email: [tom.kim@hdrinc.com](mailto:tom.kim@hdrinc.com)  
Telephone: 714-504-8860

Authorized person to sign contracts Thomas T. Kim Senior Vice President  
Name Title

The Contractor agrees to provide services as specified in the conformed Scope of Work/Technical Specification (Exhibit A), Contractor's Cost/Pricing Form (Exhibit B), and in accordance with the Standard Agreement, including Standard Conditions (Exhibit C), Federal Requirements (Exhibit D), and Forms (Exhibit E).

The contract term shall be effective October 1, 2026 through February 29, 2028.

Payment terms shall be net 30 days from invoice date. The total cost of this contract shall not exceed \$390,484.98 without the express written consent of MTS.

| SAN DIEGO METROPOLITAN TRANSIT<br>SYSTEM             | HDR ENGINEERING, INC. |
|------------------------------------------------------|-----------------------|
| By:<br><u>Sharon Cooney, Chief Executive Officer</u> | By _____              |
| Approved as to form:                                 | Title: _____          |
| By:<br><u>Karen Landers, General Counsel</u>         |                       |



## 5. SCOPE OF WORK/TECHNICAL SPECIFICATIONS

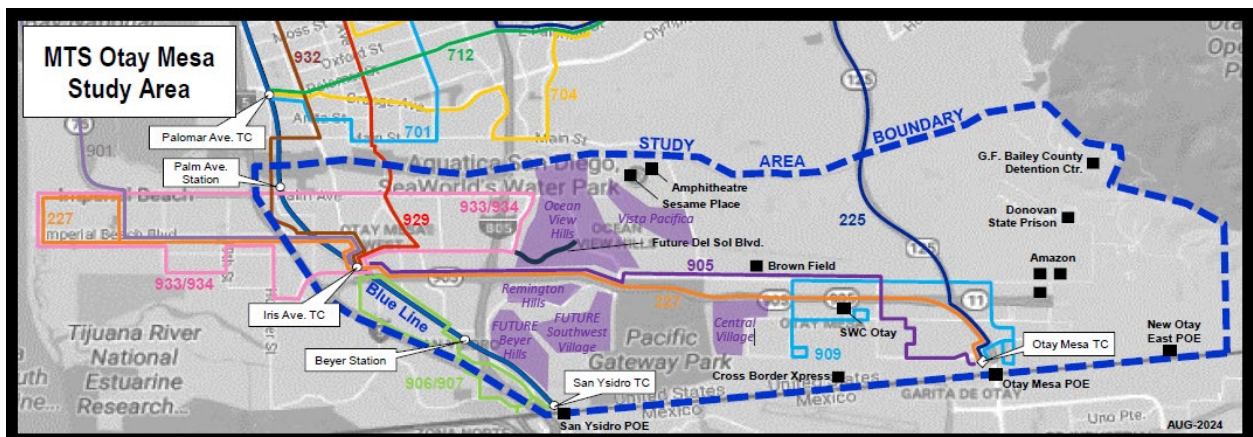
### 5.1. PROJECT DESCRIPTION

Per the direction of the MTS Board of Directors, MTS staff seeks a Contractor to conduct a transit study for the Otay Mesa area to determine the transit needs of the community and recommend network and infrastructure adjustments accordingly. The contract term shall be from October 1, 2026, through February 28, 2028.

Otay Mesa is a community in the southern section of the City of San Diego, just north of the U.S. - Mexico border. The growth of the Otay Mesa community has outpaced the region in the last 20 years, without transit funding to keep up. There are upcoming infrastructure changes in the area including the Otay Mesa East Port of Entry, road extensions, and upgrades near the Cross Border Express (CBX), which connects travelers to and from Tijuana International Airport. Additionally, there are several areas and trip generators that currently lack adequate transit service, including Amazon, CBX, North Island Credit Union Amphitheatre/Sesame Place and the Ocean View Hills community.

MTS seeks a Contractor to develop recommendations to improve the transit network in the Otay Mesa community, between the UCSD Blue Line Trolley and the future Otay Mesa East Port of Entry. Transit routes, stops, and service span/frequencies need to be identified to better serve the Otay Mesa community. A plan is also needed to identify the necessary resources (costs, vehicles, and staffing) to provide the proposed service. Recommendations on transit priority measures, such as bus lanes, queue jumps, and transit signal priority should also be considered. A map of the study area is below in Figure 1.

Figure 1: MTS Otay Mesa Transit Study Area



#### Project Stakeholders:

Key stakeholders include, but are not limited to: City of San Diego, Otay Mesa Chamber of Commerce, General Services Administration (GSA), County of San Diego, Caltrans, SANDAG, Southwestern College, Amazon, Cross Border Xpress (CBX), Otay Mesa Planning Group, Border Transportation Council, Sesame Place, North Island Credit Union Amphitheatre, South County Economic Development Council, Community Based Organizations (CBOs), and the advisory committee designated by MTS.

This project will be included in an MTS advisory committee to provide project guidance, and the committee will convene at least three times during the project's duration. The advisory group will include MTS staff, Caltrans, representatives from local and regional agencies, and other stakeholders who reflect community perspectives through relevant committees or advocacy groups. The advisory group will assist MTS staff to identify key stakeholders for engagement, highlight important considerations, and provide input on the community's conditions, history, and needs. Additionally, the group will assist MTS staff with ensuring inclusive community engagement and maximizing participation in public events.

MTS is committed to public participation and inclusive involvement of all residents and stakeholders in the planning process. The Contractor will develop a community outreach plan for the project that is consistent with the most recent Public Participation Plan developed by MTS. The Contractor will also need to identify how they will solicit feedback from urban, suburban, and rural/Native American tribal communities with a focus on low-income and minority communities. Stakeholder engagement will include presentations to the public and MTS Board of Directors and/or Executive Committee.

## 5.2. SCOPE OF WORK

### **Task 1: Project Management and Coordination**

- Provide project management services including the requirements for invoicing, scheduling, monthly project progress reports, and administration of the Contractor's team.
- Provide project coordination with MTS as well as coordination with other project stakeholders as necessary, including a minimum of three (3) with the advisory committee.
- Also included in Project Management is QA/QC which will be performed on all deliverables. To ensure quality of work and compliance with the scope of work, the Contractor shall perform a systematic in-house review of all documents produced prior to submittal. All reviewed documents will have a check box or signature page indicating review has been performed.

### **Task 2: Existing Conditions and Initial Outreach**

- Identify the present characteristics of each route/stop and its rider catchment area to determine future demand.
- Collect and review data, reports, documents, and other information pertinent to the Comprehensive Operational Analysis (COA), including, but not limited to, the following:
  - **Reports**
    - SANDAG 2050 Regional Transportation Plan
    - SANDAG Coordinated Plan
    - Relevant Community Plans, Community Plan Updates, and Mobility Plans
    - MTS Annual Budgets
    - Updated information from concurrent MTS COA (provided by MTS)
    - Others as determined
  - **Data**
    - Demographic and socioeconomic data (census and SANDAG forecasts, and data from COA)
    - Federal and state-defined disadvantaged communities

- MTS rider outreach and survey results
  - Employment and land-use data (SANDAG)
  - Transit passenger counts
  - PRONTO fare data
  - Operating statistics and performance
  - Average daily trips on highways and major arterials
  - Regional travel patterns
  - Level of service on highways and major arterials
  - SANDAG 2023 Onboard Passenger Survey
  - MTS 2024 Customer Satisfaction Survey
  - Other market research and comments from drivers, riders, and nonriders collected by MTS
- Develop stakeholder list, in conjunction with MTS.
  - Collaborate with stakeholders to identify current and future projects that will impact transit options and needs.
  - Based on above information, develop initial routing alignment concepts, station location options, and infrastructure improvements.
  - Develop a community outreach plan for the project that is consistent with the most recent Public Participation Plan developed by MTS (<https://www.sdmts.com/sites/default/files/attachments/public-participation-plan-2024.pdf>), which would include at least the following:
    - Conduct surveys and community events to determine rider and non-rider demographics and transit needs. Seek support from and engagement with the Otay Mesa Chamber of Commerce.
    - Conduct, lead, promote, and advertise two community meetings in the Otay Mesa community at locations and times determined to attract the widest community participation. The Contractor should leverage current Caltrans technology to increase the breadth of feedback from the public.
    - Work directly with MTS to conduct two pop-up events in existing underserved communities.
    - Solicit feedback on initial route alignment options, stop locations, and infrastructure improvements.
    - Design and produce displays and other collateral needed
    - Proposal should specify advertising and promotional efforts and the proposed budget for these.
    - Attend and lead meetings each with appropriate staff from MTS, City of San Diego, and other community leaders.
    - All outreach events must have Spanish speakers and materials must be translated into Spanish.

**Deliverables:**

- Stakeholder List
- Community Outreach Plan
- Summary of Survey Results and Community Feedback
- Existing Conditions Memorandum



### **Task 3: Transit Needs Assessment / Plan Development / Analysis**

- Based on existing conditions and initial outreach, develop two different scenarios (based on MTS direction) for the future transit network and infrastructure improvements needed to serve the Otay Mesa community. This would include:
  - Identify opportunities and challenges with potential alignments and station locations.
  - Conduct all necessary fieldwork.
  - Including up to two meetings with MTS Operations staff, an MTS bus and operator will be available to test alignments if necessary.
  - Identify frequency and span to maximize transit ridership for the Otay Mesa community.
  - Identify resource needs (costs, vehicles, and staffing) to provide the proposed service and capital needs.
  - Identify potential stop locations for new bus services and any capital improvements required for accessibility and amenities (include cost estimate)
  - Consider UC San Diego Blue Line Trolley (and other transit) connections and summarize interfaces with other transportation services.
  - Recommend transit priority measures, such as bus lanes, queue jumps, and TSP.
  - Summary report should include maps and graphics, as necessary.
- Attend and lead meetings with appropriate staff from MTS, City of San Diego, and other community leaders.

#### **Deliverables:**

- Draft Transit Needs Assessment / Plan Development / Analysis Summary Report
- Final Transit Needs Assessment / Plan Development / Analysis Summary Report

### **Task 4: Final Outreach and Development of Final Draft Plan**

- Present draft plan to community:
  - Conduct, lead, promote, and advertise up to three community meetings in the Otay Mesa community at a location and time determined to attract the widest community participation to provide feedback on the draft plan. The Contractor should leverage current Caltrans technology to increase the breadth of feedback from the public.
  - Work directly with MTS to conduct two pop-up events in existing underserved communities.
  - Present analysis and attain feedback on routing options and bus stop locations
  - Attend and lead meetings with appropriate staff from MTS, City of San Diego, and other community leaders.
- Based on community feedback, develop final plan for the two scenarios:
  - Finalize transit routes, bus stops, and amenities.
  - Finalize frequency, span, and schedule for every route.
  - Finalize funding and staffing needs using FY28 dollars/staffing levels (estimate revenue, hours, miles, bus utilization, and operator requirements).
  - Finalize recommended transit priority measures.
  - Develop profiles for the rider catchment areas around each proposed transit stop / route.

- Preliminary design work (up to 15% design) for capital improvements and transit priority features
- Plans to include all items listed above including maps/graphics necessary for public information and schedules.
- After review by MTS staff, present final draft plan to Board of Directors (in person) and Executive Committee (in person or virtual)

**Deliverables:**

- Presentation Materials for Outreach
- Post Outreach Summary Report (including summary of comments received on Draft Plan)
- Draft Final Plan for MTS staff review
- MTS Executive Committee presentation materials and in-person (or virtual) presentation
- MTS Board of Directors presentation materials and in-person presentation

**Task 5: Final Plan**

- Incorporate comments from MTS Board of Directors and public comments into final plan.

**Deliverables:**

- Final Plan

**5.3. SCHEDULE OF TASKS**

| <b>Task</b>                                                    | <b>Begin/End Dates</b> |
|----------------------------------------------------------------|------------------------|
| Task 1: Project Management and Coordination                    | 10/01/26 - 02/29/28    |
| Task 2: Existing Conditions and Initial Outreach               | 10/01/26 - 03/31/27    |
| Task 3: Transit Needs Assessment / Plan Development / Analysis | 04/01/27 - 08/31/27    |
| Task 4: Final Outreach and Development of Final Draft Plan     | 09/01/27 - 12/31/27    |
| Task 5: Final Plan                                             | 01/01/28 - 02/29/28    |

**5.4. PAYMENT MILESTONES**

| <b>TASK</b>                                                         | <b>ALL DELIVERABLES</b>                                                                                                                                                                                       | <b>1<sup>ST</sup> PAYMENT</b>       | <b>FINAL PAYMENT</b>                |
|---------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Task 2: Existing Conditions and Initial Outreach</b>             | <ul style="list-style-type: none"> <li>• Stakeholder List</li> <li>• Community Outreach Plan</li> <li>• Summary of Survey Results and Community Feedback</li> <li>• Existing Conditions Memorandum</li> </ul> | Upon 50% completion of deliverables | Upon 50% completion of deliverables |
|                                                                     | <ul style="list-style-type: none"> <li>• Project Management and Coordination (Task 1)</li> </ul>                                                                                                              | 25%                                 |                                     |
| <b>Task 3: Transit Needs Assessment/ Plan Development/ Analysis</b> | <ul style="list-style-type: none"> <li>• Draft Transit Needs Assessment / Plan Development / Analysis Summary Report</li> </ul>                                                                               | Upon 50% completion of deliverables | Upon 50% completion of deliverables |

|                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |                                     |
|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
|                                                                   | <ul style="list-style-type: none"> <li>Final Transit Needs Assessment / Plan Development / Analysis Summary Report</li> </ul>                                                                                                                                                                                                                                                                                       |                                     |                                     |
|                                                                   | <ul style="list-style-type: none"> <li>Project Management and Coordination (Task 1)</li> </ul>                                                                                                                                                                                                                                                                                                                      | 25%                                 |                                     |
| <b>Task 4: Final Outreach and Development of Final Draft Plan</b> | <ul style="list-style-type: none"> <li>Presentation Materials for Outreach</li> <li>Post Outreach Summary Report (including summary of comments received on Draft Plan)</li> <li>Draft Final Plan for MTS staff review</li> <li>MTS Executive Committee presentation materials and in-person (or virtual) presentation</li> <li>MTS Board of Directors presentation materials and in-person presentation</li> </ul> | Upon 50% completion of deliverables | Upon 50% completion of deliverables |
|                                                                   | <ul style="list-style-type: none"> <li>Project Management and Coordination (Task 1)</li> </ul>                                                                                                                                                                                                                                                                                                                      | 25%                                 |                                     |
| <b>Task 5: Final Plan</b>                                         | <ul style="list-style-type: none"> <li>Final Plan</li> </ul>                                                                                                                                                                                                                                                                                                                                                        | Upon 50% completion of deliverables | Upon 50% completion of deliverables |
|                                                                   | <ul style="list-style-type: none"> <li>Project Management and Coordination (Task 1)</li> </ul>                                                                                                                                                                                                                                                                                                                      | 25%                                 |                                     |

## 5.5. INVOICES

Invoices must be sent to the MTS Accounting Department, via email, at [ap@sdmts.com](mailto:ap@sdmts.com). All invoices must have the Purchase Order and contract number clearly displayed to ensure timely payment. MTS will not pay on packing slips, receiving documents, delivery documents, or other similar documents. Invoices must be submitted for payment.

Payment terms shall be net 30 days from invoice date. If MTS rejects an incorrectly submitted invoice and sends it back for correction, the net 30 days restart from the corrected invoice date.

Contractors must also indicate if any of the invoiced amount(s) is for service or work provided by a subcontractor and indicate the amount that will be paid to the subcontractor. Contractors must also comply with the prompt payment requirements in the *Prompt Progress Payments* section of the Standard Conditions.

## COST/PRICING FORM

Firm Name: HDR Engineering, Inc.

| TASK #                                                          | ESTIMATED<br>NO. OF HOURS | FIXED FEE<br>AMOUNT |
|-----------------------------------------------------------------|---------------------------|---------------------|
| Task #1: Project Management and Coordination                    | 250                       | \$54,680.02         |
| Task #2: Existing Conditions and Initial Outreach               | 664                       | \$99,442.57         |
| Task #3: Transit Needs Assessment /Plan<br>Development/Analysis | 784                       | \$134,829.16        |
| Task #4: Final Outreach and Development of Final Draft<br>Plan  | 568                       | \$88,486.79         |
| Task #5: Final Plan                                             | 80                        | \$13,046.44         |
| <b>TOTAL CONTRACT AMOUNT</b>                                    |                           | <b>\$390,484.98</b> |

Proposer shall submit pricing for all the work described in the Scope of Work section. In preparing a cost proposal, Proposers are requested to provide a total all-inclusive cost for each task (including travel). Proposer shall also provide a supplemental cost breakdown for each task.

Read attached General Provisions carefully. They are a part of your proposal. Unit prices will prevail regardless of extensions submitted by the Proposer.

All proposers must complete proposal forms as provided, failure to do so will deem the proposal non-responsive.

Proposer accepts responsibility for accuracy and presentation of the numbers included in the cost/price form.

Submit the proposal following instructions as specified in Submission Requirements section.

|                |     |
|----------------|-----|
| MTS Doc. No.   |     |
| Work Order No. | TBD |
| Attachment:    | B   |

Work Order Title:

Project No:

Estimate

Table 1 - Cost Codes Summary (Costs & Hours)

Table 2 - TASKS/WBS Summary (Costs & Hours)

| Item     | TASKS/WBS | TASKS/WBS Description                        | Labor Hrs | Total Costs  |
|----------|-----------|----------------------------------------------|-----------|--------------|
| 1        |           | Project Management and Coordination          | 250.0     | \$54,680.02  |
| 2        |           | Existing Conditions and Initial Outreach     | 664.0     | \$99,442.57  |
| 3        |           | Transit Needs Assessment/Plan Development    | 784.0     | \$134,829.16 |
| 4        |           | Final Outreach and Development of Draft Plan | 568.0     | \$88,486.79  |
| 5        |           | Final Plan                                   | 80.0      | \$13,046.44  |
| Totals = |           |                                              | 2,346.0   | \$390,484.98 |

Table 3 - Consultant/Subconsultant Summary (Costs & Hours)

| (If Applicable, Select One) |      |     |       | Consultant            | Labor Hrs | Total Costs  |
|-----------------------------|------|-----|-------|-----------------------|-----------|--------------|
| DBE                         | DVBE | SBE | Other |                       |           |              |
|                             |      |     | X     | HDR Engineering, Inc. | 1,780.0   | \$330,484.68 |
| X                           |      | X   | X     | CENTRIC               | 566.0     | \$60,000.30  |
| Totals =                    |      |     |       |                       | 2,346.0   | \$390,484.98 |

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|---------------|--|--------------|--|---------------------------|--|-----------------------|--|-----------------|--|------|--|
| Total Hours = |  | 1,780        |  | Consultant/Subconsultant: |  | HDR Engineering, Inc. |  | MTS Doc. No.:   |  | 0.00 |  |
| Total Costs = |  | \$326,397.18 |  | Work Order Title:         |  | 0                     |  | Work Order No.: |  | TBD  |  |
|               |  |              |  |                           |  |                       |  | Attachment:     |  | B    |  |
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Consultant/ Subconsultant: HDR Engineering, Inc.

Work Order Title: 0

Contract No: 0

Task Order No: TBD

Attachment: B

| 0          |                                     |         | TASKS/WBS (1-5) |          |          |                       |          |                     |          |                       |          |                   |        |
|------------|-------------------------------------|---------|-----------------|----------|----------|-----------------------|----------|---------------------|----------|-----------------------|----------|-------------------|--------|
| ODC Item   |                                     |         | Task 1          |          | Task 2   |                       | Task 3   |                     | Task 4   |                       | Task 5   |                   |        |
|            | Description                         | Unit    | Unit Cost       | Quantity | Total    | Quantity              | Total    | Quantity            | Total    | Quantity              | Total    | Quantity          | Total  |
| 1          | Printing (postcards, comment cards) | Each    | \$0.50          |          | \$0.00   | 450                   | \$225.00 |                     | \$0.00   | 450                   | \$225.00 |                   | \$0.00 |
| 2          | Printing (boards)                   | Each    | \$80.00         |          | \$0.00   | 12                    | \$960.00 |                     | \$0.00   | 12                    | \$960.00 |                   | \$0.00 |
| 3          | Printing (8,5x11)                   | Each    | \$0.75          |          | \$0.00   | 275                   | \$206.25 |                     | \$0.00   | 275                   | \$206.25 |                   | \$0.00 |
| 4          | Venue Rental & Snacks               | Meeting | \$375.00        |          | \$0.00   |                       | \$0.00   |                     | \$0.00   |                       | \$0.00   |                   | \$0.00 |
| 5          | Nametags                            | Each    | \$1.00          |          | \$0.00   |                       | \$0.00   |                     | \$0.00   |                       | \$0.00   |                   | \$0.00 |
| 6          | Mileage                             | Mile    | \$0.73          | 200      | \$145.00 | 700                   | \$507.50 | 200                 | \$145.00 | 700                   | \$507.50 |                   | \$0.00 |
| 7          |                                     |         |                 |          | \$0.00   |                       | \$0.00   |                     | \$0.00   |                       | \$0.00   |                   | \$0.00 |
| 8          |                                     |         |                 |          | \$0.00   |                       | \$0.00   |                     | \$0.00   |                       | \$0.00   |                   | \$0.00 |
| 9          |                                     |         |                 |          | \$0.00   |                       | \$0.00   |                     | \$0.00   |                       | \$0.00   |                   | \$0.00 |
| 10         |                                     |         |                 |          | \$0.00   |                       | \$0.00   |                     | \$0.00   |                       | \$0.00   |                   | \$0.00 |
| Subtotal = |                                     |         |                 | \$145.00 |          | Subtotal = \$1,898.75 |          | Subtotal = \$145.00 |          | Subtotal = \$1,898.75 |          | Subtotal = \$0.00 |        |

| TASKS/WBS (6-10) |                                     |          |        |                   |        |                   |        |                   |         |                   |        |                     |
|------------------|-------------------------------------|----------|--------|-------------------|--------|-------------------|--------|-------------------|---------|-------------------|--------|---------------------|
| ODC Item         | Task 6                              |          | Task 7 |                   | Task 8 |                   | Task 9 |                   | Task 10 |                   | Totals |                     |
|                  | Description                         | Quantity | Total  | Quantity          | Total  | Quantity          | Total  | Quantity          | Total   | Quantity          | Total  | Total               |
| 1                | Printing (postcards, comment cards) |          | \$0.00 |                   | \$0.00 |                   | \$0.00 |                   | \$0.00  |                   | \$0.00 | 900 \$450.00        |
| 2                | Printing (boards)                   |          | \$0.00 |                   | \$0.00 |                   | \$0.00 |                   | \$0.00  |                   | \$0.00 | 24 \$1,920.00       |
| 3                | Printing (8.5x11)                   |          | \$0.00 |                   | \$0.00 |                   | \$0.00 |                   | \$0.00  |                   | \$0.00 | 550 \$412.50        |
| 4                | Venue Rental & Snacks               |          | \$0.00 |                   | \$0.00 |                   | \$0.00 |                   | \$0.00  |                   | \$0.00 | 0 \$0.00            |
| 5                | Nametags                            |          | \$0.00 |                   | \$0.00 |                   | \$0.00 |                   | \$0.00  |                   | \$0.00 | 0 \$0.00            |
| 6                | Mileage                             |          | \$0.00 |                   | \$0.00 |                   | \$0.00 |                   | \$0.00  |                   | \$0.00 | 1,800 \$1,305.00    |
| 7                |                                     |          | \$0.00 |                   | \$0.00 |                   | \$0.00 |                   | \$0.00  |                   | \$0.00 |                     |
| 8                |                                     |          | \$0.00 |                   | \$0.00 |                   | \$0.00 |                   | \$0.00  |                   | \$0.00 |                     |
| 9                |                                     |          | \$0.00 |                   | \$0.00 |                   | \$0.00 |                   | \$0.00  |                   | \$0.00 |                     |
| 10               |                                     |          | \$0.00 |                   | \$0.00 |                   | \$0.00 |                   | \$0.00  |                   | \$0.00 |                     |
| Subtotal =       |                                     | \$0.00   |        | Subtotal = \$0.00 |        | Subtotal = \$0.00 |        | Subtotal = \$0.00 |         | Subtotal = \$0.00 |        | Totals = \$4,087.50 |

|               |             |                                   |                     |
|---------------|-------------|-----------------------------------|---------------------|
| Total Hours = | 566         | Consultant/Subconsultant: Centric | MTS Doc. No.: 0     |
| Total Costs = | \$58,092.80 | Work Order Title:                 | Work Order No.: TBD |
|               |             |                                   | Attachment: B       |

| Item | TASKS/WBS | TASKS/WBS Description                                                 | ODCs (See Attachment) | Shannon Brown | Tarol Warschauer | Pablo Soriano | Natalia Guisado | Outreach Ambassador | Roberto Solorzano |        |        |        | Total Hours | Totals      |
|------|-----------|-----------------------------------------------------------------------|-----------------------|---------------|------------------|---------------|-----------------|---------------------|-------------------|--------|--------|--------|-------------|-------------|
|      |           |                                                                       | \$ 196.00             | \$ 150.26     | \$ 102.18        | \$ 85.00      | \$ 65.00        | \$ 150.26           |                   |        |        |        |             |             |
| 1    | Task 1    | Project Management and Coordination                                   |                       |               |                  |               |                 |                     |                   |        |        |        | 0           | \$0.00      |
|      |           |                                                                       | \$0.00                |               |                  |               |                 |                     |                   |        |        |        | 0           | \$0.00      |
|      |           |                                                                       |                       |               |                  |               |                 |                     |                   |        |        |        | 0           | \$0.00      |
|      |           |                                                                       |                       |               |                  |               |                 |                     |                   |        |        |        | 0           | \$0.00      |
|      |           |                                                                       |                       |               |                  |               |                 |                     |                   |        |        |        | 0           | \$0.00      |
|      |           |                                                                       |                       |               |                  |               |                 |                     |                   |        |        |        | 0           | \$0.00      |
|      |           | ODCs                                                                  | \$0.00                |               |                  |               |                 |                     |                   |        |        |        | 0           | \$0.00      |
|      |           | Subtotals (Hours) =                                                   | N/A                   | 0             | 0                | 0             | 0               | 0                   | 0                 | 0      | 0      | 0      | 0           |             |
|      |           | Subtotals (Costs) =                                                   | \$0.00                | \$0.00        | \$0.00           | \$0.00        | \$0.00          | \$0.00              | \$0.00            | \$0.00 | \$0.00 | \$0.00 | 0           | \$0.00      |
| 2    | Task 2    | Existing Conditions and Initial Outreach                              |                       |               |                  |               |                 |                     |                   |        |        |        |             |             |
|      |           | Build Community Outreach Plan                                         |                       | 2             | 6                |               | 8               |                     |                   |        |        |        | 16          | \$1,973.56  |
|      |           | Develop Stakeholder List                                              |                       | 2             | 4                |               | 6               |                     |                   |        |        |        | 12          | \$1,503.04  |
|      |           | HDR Team Coordination and Advisory Calls                              |                       | 4             | 10               |               |                 |                     |                   |        |        |        | 14          | \$2,286.60  |
|      |           | Support Two Community Meetings                                        |                       | 2             | 8                | 12            | 12              | 28                  |                   |        |        |        | 62          | \$5,660.24  |
|      |           | Prepare and Translate Community Survey                                |                       |               | 8                | 10            | 16              |                     |                   |        |        |        | 34          | \$3,583.88  |
|      |           | Prepare For and Conduct Two Pop-ups                                   |                       |               | 8                | 20            | 10              | 16                  |                   |        |        |        | 54          | \$5,135.68  |
|      |           | Distribute Survey at Community Locations/Coordinate with CBOs         |                       |               |                  | 16            | 12              | 16                  |                   |        |        |        | 44          | \$3,694.88  |
|      |           | Prepare As-needed Displays and Collateral                             |                       |               |                  | 8             | 16              |                     | 24                |        |        |        | 48          | \$5,783.68  |
|      |           | Coordinate/Distribute Survey to Key Stakeholders                      |                       |               | 6                | 16            | 18              |                     |                   |        |        |        | 40          | \$4,066.44  |
|      |           | Prepare Summary of Survey Results                                     |                       | 4             | 4                |               | 12              |                     |                   |        |        |        | 20          | \$2,405.04  |
|      |           | OPTIONAL Paid Social Media Campaign                                   |                       |               | 12               | 4             |                 |                     | 2                 |        |        |        | 18          | \$2,512.36  |
|      |           | Subtotals (Hours) =                                                   | N/A                   | 14            | 54               | 82            | 110             | 60                  | 24                | 0      | 0      | 0      | 344         | \$36,093.04 |
|      |           | Subtotals (Costs) =                                                   | \$0.00                | \$2,744.00    | \$8,114.04       | \$8,378.76    | \$9,350.00      | \$3,900.00          | \$3,606.24        | \$0.00 | \$0.00 | \$0.00 |             |             |
| 3    | Task 3    | Transit Needs Assessment/Plan Development/Analytics                   |                       |               |                  |               |                 |                     |                   |        |        |        |             |             |
|      |           |                                                                       |                       |               |                  |               |                 |                     |                   |        |        |        | 0           | \$0.00      |
|      |           |                                                                       |                       |               |                  |               |                 |                     |                   |        |        |        | 0           | \$0.00      |
|      |           |                                                                       | \$0.00                |               |                  |               |                 |                     |                   |        |        |        | 0           | \$0.00      |
|      |           |                                                                       |                       |               |                  |               |                 |                     |                   |        |        |        | 0           | \$0.00      |
|      |           |                                                                       | \$0.00                |               |                  |               |                 |                     |                   |        |        |        | 0           | \$0.00      |
|      |           | Subtotals (Hours) =                                                   | N/A                   | 0             | 0                | 0             | 0               | 0                   | 0                 | 0      | 0      | 0      | 0           |             |
|      |           | Subtotals (Costs) =                                                   | \$0.00                | \$0.00        | \$0.00           | \$0.00        | \$0.00          | \$0.00              | \$0.00            | \$0.00 | \$0.00 | \$0.00 | 0           | \$0.00      |
| 4    | Task 4    | Final Outreach and Development of Final Draft Plan                    |                       |               |                  |               |                 |                     |                   |        |        |        |             |             |
|      |           | Support Two Community Meetings                                        |                       | 2             | 8                | 12            | 12              | 28                  |                   |        |        |        | 62          | \$5,660.24  |
|      |           | Prepare For and Conduct Three Pop-ups                                 |                       |               | 8                | 24            | 14              | 24                  |                   |        |        |        | 70          | \$6,404.40  |
|      |           | Prepare As-Needed Displays and Collateral                             |                       |               |                  | 8             | 16              |                     |                   |        |        |        | 24          | \$2,177.44  |
|      |           | Coordinate/Distribute Feedback Opportunities to Key Stakeholders/CBOs |                       |               |                  | 8             | 16              |                     | 18                |        |        |        | 42          | \$4,882.12  |
|      |           | Prepare Post Outreach Report                                          |                       | 4             | 6                |               | 14              |                     |                   |        |        |        | 24          | \$2,875.56  |
|      |           | Subtotals (Hours) =                                                   | N/A                   | 6             | 22               | 52            | 72              | 52                  | 18                | 0      | 0      | 0      | 222         | \$21,999.76 |
|      |           | Subtotals (Costs) =                                                   | \$0.00                | \$1,176.00    | \$3,305.72       | \$5,313.36    | \$6,120.00      | \$3,380.00          | \$2,704.68        | \$0.00 | \$0.00 | \$0.00 |             |             |
| 5    | Task 5    |                                                                       |                       |               |                  |               |                 |                     |                   |        |        |        |             |             |
|      |           |                                                                       | \$0.00                |               |                  |               |                 |                     |                   |        |        |        | 0           | \$0.00      |
|      |           |                                                                       |                       |               |                  |               |                 |                     |                   |        |        |        | 0           | \$0.00      |
|      |           |                                                                       |                       |               |                  |               |                 |                     |                   |        |        |        | 0           | \$0.00      |
|      |           |                                                                       | \$0.00                |               |                  |               |                 |                     |                   |        |        |        | 0           | \$0.00      |
|      |           | Subtotals (Hours) =                                                   | N/A                   | 0             | 0                | 0             | 0               | 0                   | 0                 | 0      | 0      | 0      | 0           | \$0.00      |
|      |           | Subtotals (Costs) =                                                   | \$0.00                | \$0.00        | \$0.00           | \$0.00        | \$0.00          | \$0.00              | \$0.00            | \$0.00 | \$0.00 | \$0.00 | 0           | \$0.00      |
|      |           | Totals (Summary) =                                                    |                       |               |                  |               |                 |                     |                   |        |        |        | 566         | \$58,092.80 |
|      |           | Total (Hours) =                                                       | N/A                   | 20            | 76               | 134           | 182             | 112                 | 42                | 0      | 0      | 0      |             |             |
|      |           | Total (Costs) =                                                       | \$0.00                | \$3,920.00    | \$11,419.76      | \$13,692.12   | \$15,470.00     | \$7,280.00          | \$6,310.92        | \$0.00 | \$0.00 | \$0.00 |             |             |
|      |           | Percentage of Total (Hours) =                                         | N/A                   | 4%            | 13%              | 24%           | 32%             | 20%                 | 7%                | 0%     | 0%     | 0%     | 68%         |             |
|      |           | Percentage of Total (Costs) =                                         |                       | 0%            | 7%               | 20%           | 24%             | 13%                 | 11%               | 0%     | 0%     | 0%     |             | 73%         |



Consultant/ Subconsultant: 

Centric

Work Order Title:

Contract No:

Task Order No. 

TBD

Attachment: 

B

| TASKS/WBS (1-5) |             |                                     |                  |            |        |            |          |            |        |            |          |            |        |        |
|-----------------|-------------|-------------------------------------|------------------|------------|--------|------------|----------|------------|--------|------------|----------|------------|--------|--------|
| ODC Item        |             |                                     |                  | Task 1     |        | Task 2     |          | Task 3     |        | Task 4     |          | Task 5     |        |        |
|                 | Description | Unit                                | Unit Cost        | Quantity   | Total  | Quantity   | Total    | Quantity   | Total  | Quantity   | Total    | Quantity   | Total  |        |
|                 | 1           | Printing (postcards)                | Each             | \$0.50     |        | \$0.00     | 20       | \$10.00    | 0      | \$0.00     | 20       | \$10.00    |        | \$0.00 |
|                 | 2           | Printing (boards)                   | Each             | \$80.00    |        | \$0.00     |          | \$0.00     |        | \$0.00     |          | \$0.00     |        | \$0.00 |
|                 | 3           | Printing (8.5x11)                   | Each             | \$0.75     |        | \$0.00     | 225      | \$168.75   |        | \$0.00     | 225      | \$168.75   |        | \$0.00 |
|                 | 4           | Venue Rental & Snacks               | Meeting          | \$375.00   |        | \$0.00     | 2        | \$750.00   |        | \$0.00     | 2        | \$750.00   |        | \$0.00 |
|                 | 5           | Nametags                            | Each             | \$1.00     |        | \$0.00     | 25       | \$25.00    | 0      | \$0.00     | 25       | \$25.00    |        | \$0.00 |
|                 | 6           | Mileage                             | Mile             | \$0.73     |        | \$0.00     |          | \$0.00     | 0      | \$0.00     |          | \$0.00     |        | \$0.00 |
|                 | 7           | OPTIONAL Paid Social Media Campaign | Digital Campaign | \$7,500.00 |        | \$0.00     | 1        | \$7,500.00 |        | \$0.00     |          | \$0.00     |        | \$0.00 |
|                 | 8           |                                     |                  |            |        | \$0.00     |          | \$0.00     |        | \$0.00     |          | \$0.00     |        | \$0.00 |
| 9               |             |                                     |                  |            | \$0.00 |            | \$0.00   |            | \$0.00 |            | \$0.00   |            | \$0.00 |        |
| 10              |             |                                     |                  |            | \$0.00 |            | \$0.00   |            | \$0.00 |            | \$0.00   |            | \$0.00 |        |
|                 |             |                                     |                  | Subtotal = | \$0.00 | Subtotal = | \$953.75 | Subtotal = | \$0.00 | Subtotal = | \$953.75 | Subtotal = | \$0.00 |        |

| TASKS/WBS (6-10) |                         |          |            |          |        |            |        |          |            |          |        |                     |            |
|------------------|-------------------------|----------|------------|----------|--------|------------|--------|----------|------------|----------|--------|---------------------|------------|
| ODC Item         | Task 6                  |          |            | Task 7   |        | Task 8     |        | Task 9   |            | Task 10  |        | Totals              |            |
|                  | Description             | Quantity | Total      | Quantity | Total  | Quantity   | Total  | Quantity | Total      | Quantity | Total  | Quantity            | Total      |
|                  | 1 Printing (postcards)  |          | \$0.00     |          | \$0.00 |            | \$0.00 |          | \$0.00     |          | \$0.00 | 40                  | \$20.00    |
|                  | 2 Printing (boards)     |          | \$0.00     |          | \$0.00 |            | \$0.00 |          | \$0.00     |          | \$0.00 | 0                   | \$0.00     |
|                  | 3 Printing (8.5x11)     |          | \$0.00     |          | \$0.00 |            | \$0.00 |          | \$0.00     |          | \$0.00 | 450                 | \$337.50   |
|                  | 4 Venue Rental & Snacks |          | \$0.00     |          | \$0.00 |            | \$0.00 |          | \$0.00     |          | \$0.00 | 4                   | \$1,500.00 |
|                  | 5 Nametags              |          | \$0.00     |          | \$0.00 |            | \$0.00 |          | \$0.00     |          | \$0.00 | 50                  | \$50.00    |
|                  | 6 Mileage               |          | \$0.00     |          | \$0.00 |            | \$0.00 |          | \$0.00     |          | \$0.00 | 0                   | \$0.00     |
|                  | 7                       |          | \$0.00     |          | \$0.00 |            | \$0.00 |          | \$0.00     |          | \$0.00 |                     |            |
|                  | 8                       |          | \$0.00     |          | \$0.00 |            | \$0.00 |          | \$0.00     |          | \$0.00 |                     |            |
|                  | 9                       |          | \$0.00     |          | \$0.00 |            | \$0.00 |          | \$0.00     |          | \$0.00 |                     |            |
|                  | 10                      |          | \$0.00     |          | \$0.00 |            | \$0.00 |          | \$0.00     |          | \$0.00 |                     |            |
| Subtotal =       |                         | \$0.00   | Subtotal = |          | \$0.00 | Subtotal = |        | \$0.00   | Subtotal = |          | \$0.00 | Totals = \$1,907.50 |            |



**Metropolitan  
Transit  
System**

**DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 9/3/2026**

## **Agenda Item No. 23**

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

**September 17, 2026**

**SUBJECT:**

**Beyer Blvd Pathway Beautification Construction – Contract Award**

**RECOMMENDATION:**

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

- 1) Execute the base bid contract to MTS Doc No. PWL471.0-26 (in substantially the same format as Attachment A), with Weir Contracting Corporation (Weir), for the construction of the Beyer Blvd Pathway Beautification project in the amount of \$2,245,019.00;
- 2) Authorize the CEO to execute contract alternate No.1 to provide and install the shade structure shown in the contract documents, in the amount of \$240,000.00, bringing total expenditure authority to \$2,485,019.00; and
- 3) Authorize the CEO to execute change orders totaling up to 10% of the base bid and alternate, in the amount of \$248,502, bringing the total expenditure authority to \$2,733,521.00.

**Budget Impact**

The total cost of this contract, including 10% construction change order contingency funding, is estimated to be \$2,733,521.00 (Attachment C). The project will be funded by the Clean California Local Grant Program (Cycle 2) Beyer Blvd Pathway Beautification Grant and MTS Capital Improvement Program (CIP) account 20091237 – Beyer Blvd Pathway Beautification, including \$500,000 from CIP 1009129701 – Pending Transfer.

**DISCUSSION:**

**Clean CA Grant Program**

The California Department of Transportation (Caltrans) developed the Clean California (Clean CA) Program for the successful delivery of transit projects through collaboration between the Clean CA Program, Caltrans districts, and local/transit agencies. This initiative is centered around the importance of district partnerships with local transit agencies in their respective



jurisdictions. The program aims to enhance public transit infrastructure, focusing on active transportation, micro-mobility, and transit station enhancements with art, landscaping, or similar improvements to bus stops and stations. By prioritizing districts and transit agencies facing challenges in waste management, graffiti, and aesthetic appeal, it addresses critical needs while aligning with the California State Transportation Agency objectives on climate action.

### **Beyer Blvd Pathway Beautification Project**

MTS requested funding under the program's Cycle 2 round for the Beyer Blvd Pathway Beautification Project (Project). On October 9, 2023, MTS was notified by Caltrans that MTS's application received funding. The grant program requires a 25% local match. MTS submitted the grant application in partnership with Casa Familiar. Casa Familiar is supporting MTS in its public engagement efforts to beautify and improve the pathway along the trolley line from the San Ysidro community to the Beyer Blvd Trolley Station. Casa Familiar will ensure the engagement of a diverse demographic that is representative of the targeted area.

The Project responds to public engagement feedback MTS has received, prioritizing public safety and air quality mitigations. Through the enhancements that will be constructed as part of the Project, community residents and public transit riders will receive a modernized and safe access pathway between the Beyer Blvd Trolley Station and the San Ysidro Community. Proposed project elements included:

- Concrete repair or replacement for safer and improved pedestrian and bike pathway access;
- Energy Efficient Lighting;
- Drought-Tolerant Greenery; and
- Culturally Appropriate Public Art

The project pathway is parallel to MTS's trolley tracks, positioned within MTS's right-of-way, resulting in no additional permissions or permits required for the project work. The pathway is located between West Seaward Avenue and West Park Avenue, and is adjacent to the MTS trolley tracks and the Paseo de la Paz Apartments, a 137-unit affordable housing apartment complex, completed in 2020. This pathway will better connect pedestrians and bicyclists to the MTS Beyer Blvd Trolley Station.



On December 14, 2023 (Agenda Item (AI) 7), the MTS Board formally approved the Project, authorizing acceptance of \$1,604,000 in grant funding and a minimum MTS local match of \$535,000. Subsequently, on May 15, 2025 (AI 10), the Board approved the award of artwork contracts with two local artists. The art, a sculpture and a mural, will be incorporated into the Project. As part of the FY27 Capital Improvement Program (CIP) budget, an additional \$1,110,000 was allocated to the Project, including \$500,000 in TDA funding under CIP 1009129701, to support project construction.

### Construction Contract Award

Today's proposed action would issue a contract to Weir for construction services, including energy efficient lighting, drought-tolerant greenery, installation of culturally appropriate public art, and concrete repair or replacement for safer and improved pedestrian and bike pathway access, per the scope of work (Attachment B).

On June 18, 2026, MTS issued an Invitation for Bids (IFB) seeking a contractor to provide construction services. In addition, to the primary pathway beautification design that was the "base bid" under the IFB, the IFB request bids on two alternates that MTS could add to the contract at its option:

- Alternate 1 for a shade structure; and
- Alternate 2 for upgrading the ClearVu fence separating the pathway from the Trolley tracks to a decorative railing consistent with the railing at the Beyer Blvd Trolley Station.

Based on community input received through outreach and workshops, the project team recommends proceeding with the base bid and Alternate 1 for the shade structure. The shade structure was a recurring request during community engagement and was included in the conceptual options presented to the public. Proceeding with Alternate 1 would require an additional \$240,000 in funding. Alternate 2 was an optional aesthetic upgrade intended to provide consistency with the existing Beyer Blvd Trolley Station railing. Given current project funding constraints, the decorative railing upgrade (Alternate 2) is recommended for approval at this time.

Six (6) bids were received on July 24, 2026, from the following firms:

| Firm                                    | Firm Certification | Grand Total           |
|-----------------------------------------|--------------------|-----------------------|
| MTS – Independent Cost Estimate (ICE)   |                    | \$2,475,574.25        |
| RGC General Engineering, Inc.*          | N/A                | \$1,810,570.51        |
| EC Construction*                        | N/A                | \$1,951,593.00        |
| <b>Weir</b>                             | <b>N/A</b>         | <b>\$2,713,169.00</b> |
| De La Fuente Construction Inc.          | N/A                | \$2,852,898.87        |
| US Builders and Consultants Inc.        | N/A                | \$2,949,400.00        |
| Palm Engineering Construction Co., Inc. | N/A                | \$3,733,045.96        |

*\*Bids deemed non-responsive for not submitting bids on the proper bid form.*

Weir Contracting Co. has designated subcontractors HMS Construction Inc. and Nava Landscape to perform a portion of the work:

| Subcontractor         | Firm Certification                                                     |
|-----------------------|------------------------------------------------------------------------|
| HMS Construction Inc. | N/A                                                                    |
| Nava Landscape        | Small Business (Micro), Small Business for the Purpose of Public Works |

Based on the bids received, and in comparison, to MTS's ICE at \$2,475,574.25, MTS staff determined Weir's bid to be fair and reasonable.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to:

- 1) Execute the base bid contract to MTS Doc No. PWL471.0-26 (in substantially the same format as Attachment A), with Weir, for the construction of the Beyer Blvd Pathway Beautification project in the amount of \$2,245,019.00;
- 2) Authorize the CEO to execute contract alternate No.1 to provide and install the shade structure shown in the contract documents, in the amount of \$240,000.00, bringing total expenditure authority to \$2,485,019.00; and
- 3) Authorize the CEO to execute change orders totaling up to 10% of the base bid and alternate, in the amount of \$248,502, bringing the total expenditure authority to \$2,733,521.00.

/s/ Sharon Cooney

Sharon Cooney  
Chief Executive Officer

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

Attachments: A. Draft Agreement MTS Doc No. PWL471.0-26  
B. Scope of Work  
C. Bid Form



# Metropolitan Transit System

## STANDARD CONSTRUCTION AGREEMENT

### FOR

**MTS DOC. NO. MTS DOC PWL471.0-26**

### **Beyer Blvd Pathway Beautification Construction**

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2026, 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: Weir Construction Corporation Address: 16884 Old Survey Rd.  
Escondido, CA 92025  
 Form of Business: Corporation  
 (Corporation, Partnership, Sole Proprietor, etc.) Email: brice@wiercon.com  
 Telephone: 760.743.6776

Authorized person to sign contracts Brice Wier Estimator  
 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 accordance with the Standard Agreement and General Conditions (Exhibit A), Scope of Work, Special Conditions and Attachments (Exhibit B), Bid Price Form (Exhibit C) and Forms (Exhibit D).

### **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:

**Beyer Blvd Pathway Beautification Construction**

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.**

**1255 Imperial Avenue, Suite 1000, San Diego, CA 92101-7490 • (619) 231-1466 • 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 multiple cities in San Diego County.



Time is of the essence in the performance of the Work. The Work shall be commenced by the date stated in MTS's Notice to Proceed. The Contractor shall complete all Work required by the Contract Documents within **183 calendar days** from the commencement date stated in the Notice to Proceed. By its signature hereunder, Contractor agrees the Contract Time is adequate and reasonable to complete the Work.

**CONTRACT PRICE.**

MTS shall pay the Contractor as full compensation for the performance of the Contract, subject to any additions or deductions as provided in the Contract Documents, and including all applicable taxes and costs, the sum of **\$2,485,019.00**. Payment shall be made as set forth in the General Conditions.

**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.

**PROJECT LABOR AGREEMENT.**

Contractor shall comply with MTS's Project Labor Agreement in the performance of the Work.

| SAN DIEGO METROPOLITAN TRANSIT SYSTEM                  | CONTRACTOR NAME |
|--------------------------------------------------------|-----------------|
| By:<br>_____<br>Sharon Cooney, Chief Executive Officer | By<br>_____     |
| Approved as to form:                                   |                 |
| By:<br>_____<br>Karen Landers, General Counsel         | Title:<br>_____ |





# Metropolitan Transit System

## CONSTRUCTION

### BEYER BLVD PATHWAY IMPROVEMENTS MTS DOC. NO. PWL471.0-26



**San Diego Metropolitan Transit System**

1255 Imperial Avenue, Suite 1000, San Diego, CA 92101





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# 1. INTRODUCTION

The Scope of Work is to be supplied hereunder for the primary use of the MTS. MTS is a California public agency established by California Public Utilities Code, Section 120000. et. seq. MTS and its subsidiaries are subject to the California Tort Claims Act (Cal. Pub. Util. Code § 120202).

MTS strongly encourages bidders to register to become a vendor on PlanetBids. Vendors can receive information about bid notices, addenda, bid awards, submit bids online (when applicable), and view and update in their portal. Bidders are advised that the MTS website link above is the only true source of information for MTS procurements. MTS shall not be held responsible for other third-party websites that may post some or all of MTS's solicitation documents.

MTS reserves the right to accept any Bid, or any part or parts thereof, or to reject any and all Bids.

As a condition of award, the successful Bidder will be required to execute MTS Standard Agreement found in this Invitation for Bids (IFB). Please read this agreement carefully. The successful Bidder may be required to provide a copy of its latest financial statement prior to award.

## 1.1. CALENDAR OF EVENTS

| Event                                                                                               | Date                                                                                                                |
|-----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| MTS Issues IFB                                                                                      | June 18, 2026                                                                                                       |
| Deadline for Submitting Written Questions/Clarifications and/or Request for Approved Equals (RFAs): | 5:00 P.M., Prevailing Local Time, on July 6, 2026                                                                   |
| MTS Issues Response to Written Questions/Clarifications and/or RFAs Deadline:                       | July 10, 2026                                                                                                       |
| <b><i>Bid Due Date/Bid Opening:</i></b>                                                             | <b>2:00 P.M., Prevailing Local Time<br/>July 24, 2026</b>                                                           |
| Anticipated Contract Award (MTS Board of Directors Approval)                                        | September 17, 2026                                                                                                  |
| Period of Performance                                                                               | Calendar Days from the Issuance of the Notice to Proceed. See Standard Construction Agreement included in this IFB. |
| <i>*These dates are tentative and subject to change by MTS.</i>                                     |                                                                                                                     |

## 1.2. DETAILED INFORMATION FOR THE CALENDAR OF EVENTS

|                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Deadline for Submitting Questions/RFA's: | By this date and time, all interested parties (Bidders/sub-contractors/suppliers) must have submitted in writing all questions, clarifications, and RFAs to MTS online bid portal on <a href="https://www.planetbids.com">PlanetBids</a> , through the procurement website <a href="https://www.sdmts.com/business-center/procurement">www.sdmts.com/business-center/procurement</a> .<br><br>Additional details on the RFA process can be found in the Instructions and Information for Bidders. |
| MTS Issues Response to Questions/RFA's:  | By this date, MTS will respond in writing to all questions, clarifications, and RFAs that were submitted. These responses will be provided to all on <a href="https://www.planetbids.com">PlanetBids</a> site.                                                                                                                                                                                                                                                                                    |
| Bid Opening:                             | Bids will be publicly opened and read via Zoom or Teams. An invitation link will be provided in this IFB via PlanetBids. Bids arriving after this time or at a location other than that which is specified in this IFB will be returned unopened.                                                                                                                                                                                                                                                 |
| Notice of Intent to Award (NIA):         | At approximately this date, the NIA letter will be posted on <a href="https://www.planetbids.com">PlanetBids</a> advising Bidders of the apparent lowest responsive, responsible Bidder, and the bid amount.                                                                                                                                                                                                                                                                                      |
| Anticipated Contract Award:              | On the board meeting date listed above, the contract is scheduled to be approved by the MTS Board of Directors. After this date, a contract will be executed and a Notice to Proceed will be issued.                                                                                                                                                                                                                                                                                              |

## 1.3. LINK INFORMATION FOR BID OPENING

Microsoft Teams meeting  
Join: <https://teams.microsoft.com/join/286189379818219?p=imiAbSkR1jNvSU0Uf>  
Meeting ID: 286 189 379 818 219  
Passcode: wS9iC6PT

---

[Need help?](#) | [System reference](#)  
Dial in by phone  
[+1 424-738-1268](tel:+14247381268), [207815306#](tel:+1207815306) United States, Avalon  
[Find a local number](#)  
Phone conference ID: 207 815 306#

## 1.4 MTS POINT OF CONTACT

Diana Singleton, Principal Contract Administrator is the sole point of contact for this solicitation. She can be reached via telephone at (619)557-4551 or via email at [Diana.Singleton@sdmts.com](mailto:Diana.Singleton@sdmts.com). Bidders are directed not to contact other MTS staff or Board Members in connection with this Solicitation.

**Failure to follow this instruction may render the Bid non-responsive.**

**1.5 ENCOURAGEMENT OF DISADVANTAGED BUSINESS ENTERPRISES (DBEs) AND OTHER SMALL BUSINESSES**

MTS encourages the participation of DBEs, minority owned businesses (MBEs), women owned businesses (WBEs), disabled veteran business enterprises (DVBEs), lesbian gay bisexual transgender owned businesses (LGBTBEs) persons with disabilities business enterprises (PDBEs) and small businesses (SBs) in the performance of all of its contracts. MTS encourages the Contractor to outreach to DBEs and other small business enterprises for any potential subcontracting opportunities on this project. If interested in learning about bonding or financial assistance that may be available for small businesses, visit [www.sba.gov](http://www.sba.gov). If interested in learning about the eligibility requirements to become certified as a DBE, MBE, WBE, DVBE, LGBTBE, PDBE or SB or how to view a list of certified firms, please contact MTS's DBE Liaison Officer, at [DBEProgram@sdmts.com](mailto:DBEProgram@sdmts.com) for more information.



NOTICE IS HEREBY GIVEN that the San Diego Metropolitan System ("MTS") will receive Bids, for  
BEYER BLVD PATHWAY IMPROVEMENTS

Bids, including the Bid Bond are to be submitted electronically via MTS's [PlanetBids](#) site **as specified on the calendar of events.**

At said time, Bids will be publicly opened and read aloud.

BEYER BLVD PATHWAY IMPROVEMENTS will be referred to "the project" throughout the remainder of this solicitation.

Bids, including the Bid Bond are to be submitted electronically via MTS's [PlanetBids](#) site **as specified on the calendar of events.**

At said time, Bids will be publicly opened and read aloud.

Bidders may obtain a copy of the Contract Documents via [PlanetBids](#) and click on "Register/View Open Opportunities" icon. To the extent required by section 20103.7 of the Public Contract Code, upon request from a contractor plan room service, MTS shall provide an electronic copy of the Contract Documents no charge to the contractor plan room.

Each Bid must be accompanied by cash, a certified or cashier's check, or a Bid Bond in favor of MTS in an amount not less than ten percent (10%) of the Total Bid Price.

The successful Bidder will be required to furnish MTS with Payment and Performance Bonds equal to 100% of the Contract Price. Bonds shall be on the forms included in the Contract Documents. MTS will not accept bonds on any other form.

Pursuant to section 1770, et seq. of the California Labor Code, the Contractor and all Subcontractors shall pay not less than the prevailing rate of per diem wages as determined by the Director of the California Department of Industrial Relations and comply with all applicable Labor Code provisions, which include, but are not limited to the employment of apprentices, the hours of labor and the debarment of contractors and subcontractors.

Pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations. If awarded a contract, the Bidder and its subcontractors of any tier shall maintain active registration with the Department of Industrial Relations for the duration of the Project.

This Project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. In bidding on this project, it shall be the Bidder's sole responsibility to evaluate and include the cost of complying with all labor compliance requirements under this contract and applicable law in its Bid.

Pursuant to Section 22300 of the Public Contract Code of the State of California, the successful Bidder may substitute certain securities for funds withheld by MTS to ensure its performance under the contract.

The California Air Resources Board ("CARB") implemented amendments to the In-Use Off-Road Diesel-Fueled Fleets Regulations ("Regulation") which are effective on January 1, 2024, and apply broadly to all self-propelled off road diesel vehicles 25 horsepower or greater and other forms of equipment used in California. A copy of the Regulation is available at <https://ww2.arb.ca.gov/sites/default/files/barcu/regact/2022/off-road-diesel/appa-1.pdf>. Bidders are required to comply with all CARB and Regulation requirements, including, without limitation, all applicable sections of the Regulation, as codified in Title 13 of the California Code of Regulations section 2449 et

seq. throughout the term of the Project. Bidders must provide, with their Bid, copies of Bidder's and all listed subcontractors the most recent, valid Certificate of Reported Compliance ("CRC") issued by CARB. Failure to provide valid CRCs as required herein may render the Bid non-responsive.

Each bidder shall be a licensed contractor pursuant to sections 7000 et seq. of the Business and Professions Code in the classification(s) shown under the General Conditions for the duration of the Contract.

As used in this notice and in the contract resulting from this solicitation, the "covered area" is MTS of San Diego, County of San Diego, State of California.

MTS shall award the contract for the Project to the lowest responsible and responsive bidder as determined from the total base bid plus all alternate bid items. MTS reserves the right to reject any or all Bids or to waive any irregularities or informalities in any bids or in the bidding process.

## **2. INFORMATION AND INSTRUCTIONS FOR BIDDERS**

---

### **2.1. EXAMINATION OF CONTRACT DOCUMENTS**

Any Bidder planning to submit a Bid is responsible for examining with care the complete Contract Documents and all addenda and is also responsible for informing itself with respect to all conditions which might in any way affect the cost of performance of any Work, as set forth in the Contract Documents. Failure to do so will be at the sole risk of Bidder, and no relief will be given for errors or omissions by Bidder.

It is the responsibility of each prospective bidder to download and print all Bid Documents for review and to verify the completeness of Bid Documents before submitting a bid. Any Addenda will be posted on PlanetBids. It is the responsibility of each prospective bidder to check PlanetBids on a daily basis through the close of bids for any applicable addenda or updates. MTS does not assume any liability or responsibility based on any defective or incomplete copying, excerpting, scanning, faxing, downloading or printing of the Bid Documents. Information on PlanetBids may change without notice to prospective bidders. The Contract Documents shall supersede any information posted or transmitted by PlanetBids.

The submission of a Bid shall be taken as conclusive evidence of compliance with this section.

All questions relative to the Contract Documents shall be in writing and shall be submitted through the Contracting Officer on [PlanetBids](#).

### **2.2. INTERPRETATIONS OF DRAWINGS AND DOCUMENTS**

Should Bidder find discrepancies in or omissions from the Contract Documents, or should the intent or meaning of the Contract Documents appear unclear or ambiguous to Bidder, Bidder shall at once, in writing, notify MTS of such finding, by submission of a written request for an interpretation or correction to MTS. Any such submission must be sent through the attention of the Contracting Officer. Replies to such notices may be made in the form of addenda duly issued and posted to PlanetBids.

Any interpretation of the Bid or Contract Documents will be made only by written addenda from MTS duly issued and posted to PlanetBids. MTS will not be responsible for any explanations or interpretations provided in any other manner. No person is authorized to make any oral interpretation of any provision in the Bid or Contract Documents to any Bidder, and no Bidder should rely on any such oral interpretation.

### **2.3. PRE-BID MEETING AND SITE VISIT**

Each prospective bidder is responsible for fully acquainting itself with conditions of the Site (which may include more than one location) and those relating to construction of the Work, fully understanding the facilities, difficulties and restrictions which may affect the cost or effort required to complete the Work. To this end, the Pre-Bid Meeting and/or Site Visit will be held on the date(s) and time(s) indicated in this IFB.

The meeting will be held on the date, time and location as specified on the calendar of events to review the Project's existing conditions. Representatives of MTS and consulting engineers, if any, will be present.

## **2.4. ADDENDA**

MTS reserves the right to revise the Bid and Contract Documents prior to the bid opening date. Revisions, if any, shall be made by written addenda. All addenda issued by MTS shall be included in the bid and made part of the Contract Documents. Addenda will be issued by MTS through PlanetBids.

Please Note: Bidders are responsible for ensuring that they have received any and all addenda.

## **2.5. ALTERNATE BIDS**

If alternate bid items are called for in the Contract Documents, the lowest bid will be determined on the base plus all alternate bid items unless otherwise specified in the IFB.

The time required for completion of the alternate bid items has been factored into the Contract Time and no additional time will be allowed for performing any of the alternate bid items unless otherwise stated in the contract documents. Regardless of whether the alternates bid items will be considered in determining the low bid, MTS may elect to include one or more of the alternate bid items, or to otherwise remove certain work from the scope of Work. Accordingly, each Bidder must ensure that each bid item contains a proportionate share of profit, overhead and other costs or expenses which will be incurred by the Bidder.

## **2.6. COMPLETION OF BID FORMS**

Bids shall only be prepared using the MTS Bid Forms which are included in the Contract Documents and available on the PlanetBids website. The use of substitute Bid Forms other than those provided by MTS will not be permitted. Failure to do so will deem your bid as non-responsive.

Bid shall be properly executed, all blank spaces shall be filled in. Any line items left blank shall be considered as \$0 (no cost to MTS for that line).

Partial or incomplete Bids will not be considered. Bids shall be in strict conformity with the IFB and any addenda issued.

The preparation of Bid shall be by and at the expense of Bidder.

Bids shall be firm and valid for one hundred and twenty (120) days from the stated closing time, or until a Contract is fully executed by MTS and Bidder, whichever is earlier.

All bidders must complete bid forms as provided. Failure to comply with these requirements will result in the bid to be deemed non-responsive and be rejected.

## **2.7. MODIFICATIONS AND WITHDRAWAL OF BIDS**

Each Bidder shall submit its Bid in strict conformity with the requirements of the Contract Documents. Unauthorized additions, modifications, revisions, conditions, limitations, exclusions or provisions attached to a Bid may render it non-responsive and may cause its rejection. Bidders shall not delete, modify, or supplement the printed matter on the Bid Forms, or make substitutions thereon. Oral, telephonic and electronic modifications will not be considered.

Any bid may be withdrawn either personally or by written request, incurring no penalty at any time prior to the scheduled closing time for receipt of bids. Requests to withdraw bids shall be worded so as not to reveal the amount of the original bid. Withdrawn bids may be resubmitted until the

time and day set for the receipt of bids, provided that resubmitted bids are in conformance with the instructions herein.

Bids may be withdrawn after bid opening only by providing written notice to MTS within five (5) working days of the bid opening and in compliance with Public Contract Code Section 5100 *et seq.*, or as otherwise may be allowed with the consent of MTS.

## **2.8. CONDITIONAL OR NON-RESPONSIVE BIDS**

Conditional bids or those that take material exception to the specifications or any other requirements of this Solicitation or its resultant Agreement will be considered non-responsive and will be rejected.

## **2.9. BID SECURITY (BOND)**

Bid Security is required, of not less than ten percent (10%) of the Total for Comparison of Bids, as set forth in the Bid Forms. The bid must be accompanied by the following form of bidder's security: A bidder's bond executed by an admitted surety insurer (as defined by Cal. Code Civ. Proc, § 995.120 and 31 CFR Part 223) made payable to MTS. The Bid Bond shall be attached to the Bid submittal on PlanetBids. There is no need to mail, or hand deliver the Bid Bond to MTS. MTS may also request a physical copy after bid opening. If Bidder is requested to submit a physical copy of the Bid Bond, the envelope shall bear the title of the Project and the name of the Bidder. Failure to provide bidder's security with the bid will render the bid non-responsive and the bid will be rejected. If the successful bidder fails to execute the contract within 14 calendar days from the date of mailing notice that the contract is ready for signature, the bid security may be declared forfeited to MTS and MTS may award the contract to the next lowest responsible and responsive bidder.

## **2.10. DESIGNATION OF SUBCONTRACTORS**

Bidder shall fully complete the Designation of Subcontractors Form attached to this IFB for each subcontractor who will perform work, labor, furnish materials or render services to the Bidder on said contract and each subcontractor licensed by the State of California who, under subcontract to Bidder, specially fabricates and installs a portion of the Work described in the Drawings and Specifications in an amount in excess of one half of one percent (0.5%) of the total bid price. Bidders shall indicate the portion of the Work to be done by such subcontractor(s) in accordance with Public Contract Code Section 4104.

## **2.11. LICENSING REQUIREMENTS**

Pursuant to section 7028.15 of the Business and Professions Code and section 3300 of the Public Contract Code, all bidders must possess licenses issued by the State of California Contractors License Board for performance of this Contract. Pursuant to section 7028.15 of the Business and Professions Code, and unless otherwise specified herein, any bid submitted by a contractor not currently licensed in accordance with state law and pursuant to the requirements found in the Contract Documents shall be nonresponsive, and MTS shall reject the Bid. MTS shall have the right to request, and Bidders shall provide within five (5) Days, evidence satisfactory to MTS of all valid license(s) currently held by that Bidder before awarding the Contract. Pursuant to Public Contract Code section 20676, sellers of "mined material" must be on an approved list of sellers published pursuant to Public Resources Code section 2717(b) in order to supply mined material for this Contract.

**2.12. PUBLIC WORKS CONTRACTOR REGISTRATION CERTIFICATION**

Pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to enter into a contract to perform public work must be registered with the Department of Industrial Relations. No contract will be entered into without proof of the contractor's and subcontractors' current registration with the Department of Industrial Relations to perform public work. If awarded a contract, the Bidder and its subcontractors, of any tier, shall maintain active registration with the Department of Industrial Relations for the duration of the Project. Bidder shall sign and submit with its Bid the Public Works Contractor Registration Certification on the form provided in this IFB, attesting to the facts contained therein. Failure to submit this form may render the Bid non-responsive. In addition, each Bidder shall provide the registration number for each listed subcontractor in the space provided in the Designation of Subcontractors Form, if Bidder and/or subcontractor(s) are registered at the time of bid submission.

**2.13. BIDDER INFORMATION AND EXPERIENCE FORM**

Each Bidder shall complete and submit the Bidder Information and Experience Form provided in the IFB. Failure to provide all information requested along with the Bid may cause the bid to be rejected as non-responsive. MTS reserves the right to reject any Bid if an investigation of the information submitted does not satisfy MTS that the Bidder is qualified to properly carry out the terms of the contract.

**2.14. NONCOLLUSION DECLARATION**

Bidders on all public works contracts are required to submit a declaration of noncollusion with their bid. Bidder shall sign and submit with its Bid the Noncollusion Declaration on the form provided in this IFB, attesting to the facts contained therein.

**2.15. IRAN CONTRACTING ACT OF 2010**

In accordance with Public Contract Code Section 2200 et seq., Bidder shall sign and submit with its Bid the Iran Contracting Act Certification on the form provided in this IFB attesting to the facts contained therein.

**2.16. CALIFORNIA AIR RESOURCES BOARD**

MTS is a Public Works Awarding Body, as defined under Title 13 California Code of Regulations section 2449(c)(46). Accordingly, Bidders must submit, with their Bids, valid Certificates of Reported Compliance ("CRC") for the Bidder's fleet, and for the fleets of any listed subcontractors (including any applicable leased equipment or vehicles). Bidders must complete and submit the Fleet Compliance Certification on the form provided. Failure to provide a CRC for the Bidder, and for all listed subcontractors, or failure to complete the Fleet Compliance Certification, may render the Bid non-responsive.

**2.17. BIDDERS INTERESTED IN MORE THAN ONE BID**

No Bidder shall be allowed to make, file or be interested in more than one bid for the same work unless alternate bids are specifically called for. A person, firm or corporation that has submitted a sub-proposal to a Bidder, or that has quoted prices of materials to a Bidder, is not thereby disqualified from submitting a sub-proposal or quoting prices to other Bidders. No person, firm, corporation, or other entity may submit a sub-proposal to a Bidder, or quote prices of materials to a Bidder, when also submitting a prime Bid on the same Project.

**2.18. SUBSTITUTION OF SECURITY**

MTS will retain a percentage of each progress payment as provided by the Contract Documents. At the request and expense of the successful Bidder, MTS will substitute securities for the amount so retained in accordance with Public Contract Code Section 22300.

**2.19. PREVAILING WAGES**

MTS has obtained from the Director of the California Department of Industrial Relations the general prevailing rate of per diem wages in the locality in which this work is to be performed for each craft or type of worker needed to execute the Contract. These rates are on file and available at MTS's Administrative Office or may be obtained online at <http://www.dir.ca.gov>. Bidders are advised that a copy of these rates must be posted by the successful Bidder at the job site(s).

**2.20. DEBARMENT OF CONTRACTORS AND SUBCONTRACTORS**

In accordance with the provisions of the Labor Code, contractors or subcontractors may not perform work on a public works project with a subcontractor who is ineligible to perform work on a public project pursuant to Labor Code Sections 1777.1 or 1777.7. Any contract on a public works project entered into between a contractor and a debarred subcontractor is void as a matter of law. A debarred subcontractor may not receive any public money for performing work as a subcontractor on a public works contract. Any public money that is paid to a debarred subcontractor by the Contractor for the Project shall be returned to MTS. The Contractor shall be responsible for the payment of wages to workers of a debarred subcontractor who has been allowed to work on the Project.

**2.21. PRE-CONTRACTUAL EXPENSES**

Pre-contractual expenses are defined as expenses incurred by Bidder in:

- A. Preparing the bid in response to this Solicitation;
- B. Submission of said bid to MTS; and
- C. Any other expenses incurred by Bidder prior to date of award.

MTS shall not, in any event, be liable for any pre-contractual expenses incurred by the Bidder.

**2.22. REQUEST FOR APPROVED EQUALS**

Wherever in the solicitation, a particular brand, or make of material, or equipment is shown or specified, such material or equipment is to be regarded merely as a standard for the purpose of concisely indicating the requirements as to type, quality, performance, design and finish. Any material or equipment other than that specified will be acceptable if, in the opinion of the Project Manager, it is as satisfactory for the particular work for which it was intended as the material or equipment specified. Complete documentation in support of an "or equal" offer will be required. The documentation to be provided is as follows:

**Approved Equal Evaluation Criteria:**

- A. Direct technical and performance comparisons between the proposed equal and the specified products.
- B. Submission of proof which illustrates that the product complies and adheres to appropriate industry standards including ASTM, FMVSS, MIL, SAE, or UL.

- A. “Accredited Independent Laboratory” analysis report comparing the proposed product with the specified products.
- B. Physical characteristics, properties, specifications, and drawings of the vendor’s product.
- C. Copy of Manufacturer’s Quality Assurance Program and Quality Assurance Manual, if available.
- D. Contact names and telephone numbers of other municipalities with transit fleets and other users that utilize the proposed product from the Bidder.

Bidder should make its best efforts to provide all six (6) product “Evaluation Criteria” points by numbering all six (6) points on the submitted documentation. This will enable all non-technical personnel to identify if the criteria are satisfied.

MTS reserves the right to reject any such other material or equipment offered if such material or equipment is not in all respects equal in function or performance to the requirements of the technical specifications or to the originally named illustrative example. **Unless there is a specific statement to the contrary, the bidder understands that requests for such approval of any alternative material or equipment as required in the Approved Equal Evaluation Criteria described above shall be submitted on or before the deadline for submitting written questions/clarifications and RFA.** MTS shall be the sole judge of the acceptability of items offered as equal to that specified and may reject any item not considered as equal. The Bidder shall be prepared to provide a non-returnable sample if requested by MTS.

All requests for an approved equal must be submitted by the deadline date specified in the Calendar of Events.

## 2.23. PROTEST PROCEDURES

### A. Protests Prior to Bid Opening:

Following the advertisement of this formal IFB, or a denial of approved equal, or if there is any other matter, which a Bidder may wish to protest, a protest may be filed with MTS. Protests must be in writing, emailed to the MTS Contracting Officer shown in this IFB, and received by MTS within ten (10) calendar days after the first advertisement of the IFB. MTS’ Chief Executive Officer or designee will notify all bidders that a protest has been filed, and will issue a written decision on the protest prior to the bid opening. A protest may be renewed by re-filing the protest with MTS within fifteen (15) calendar days from the emailed date of the notice of intent to award. The protest must be received by MTS no later than 4:00 p.m. Pacific Standard Time (PST) on the due date.

### B. Protests Received Subsequent to Bid Opening:

MTS will review all bids and determine the winning bid. A Notice of Intent to Award will be emailed to all bidders. Any protest to the Notice of Intent to Award must be in writing and received by MTS within fifteen (15) calendar days from the emailed date of the Notice of Intent to Award. The protest must be received by MTS no later than 4:00 p.m. PST on the due date, by email to the MTS Contracting Officer shown in this IFB.

### C. Protest Contents:

The protestor must demonstrate or establish a clear violation of a specific law or



regulation, e.g., a violation of the prohibition against unduly exclusionary and restrictive specifications, or a violation of the Buy America requirements.

Protests must contain a full and complete written statement of the grounds for protest and all supporting documentation. MTS may, but is not obligated to request additional information concerning the grounds for protest.

**D. Reply to Protest:**

Under Board Policy No. 52, Section 52.7, the Procurement Manager has been designated as the MTS staff responsible for replying to protests related to solicitations.

MTS will review all protests as soon as possible. All materials submitted by the protestor will be considered. Such material will not be withheld from any interested party outside of MTS or any agency, which may be involved with the procurement except to the extent that the withholding of information is permitted or required by law or regulation. If the protestor determines that the protest contains proprietary material, which should be protected, a statement advising of this fact may be affixed to the front page of the protest document and the alleged proprietary information must be so identified wherever it appears.

The Procurement Manager will reply to all protests in writing with its determination.

**E. Opportunity to be Heard:**

Protestors shall have an opportunity to appear and be heard before the Board prior to the opening of the procurement solicitation; in the case of protests based on the content of the procurement solicitation, or prior to final award in the case of protests based on other grounds, or the renewal of protests based on the content of the procurement solicitation. A request for a Protest Hearing at the Board regarding the protest shall be in writing by email, and directed to the attention of the General Counsel, emailed to the MTS Contracting Officer shown in this IFB. A request for a Protest Hearing shall be received within five (5) business days of the Procurement Manager's written decision. The protest must be received by MTS no later than 4:00 p.m. Pacific Standard Time (PST) on the due date.

All requests for a Protest Hearing at the Board shall contain a full and complete written statement specifying in detail the grounds of the protest, the facts supporting the protest, and any disagreement or additional information that the Protestor has in response to the Procurement Manager's decision.

The decision of the Board shall be in writing and constitutes a final administrative decision for purposes of judicial review pursuant to Section 1094.6 of the Code of Civil Procedure.

**2.24. CONFIDENTIALITY, THE CALIFORNIA PUBLIC RECORDS ACT (PRA), AND THE FREEDOM OF INFORMATION ACT**

**A. Exclusive Property:**

Responses to this IFB shall become the exclusive property of MTS and are subject to disclosure under the PRA.

Those elements of each Bid that are trade secrets, as the term is defined in Civil Code

Section 3426.1(d) or otherwise exempt by law from disclosure and which are prominently marked as Trade Secret, Confidential or Proprietary may not be subject to disclosure. This may include private financial information about a Bidder, but does not include the proposed price submitted as part of the Bid.

The California Public Contract Code section 20216 provides that other than proprietary information, the content of any IFB, any bid received, and any other communications between a transportation agency and a potential bidder on a contract that is subject to subdivision (a) shall be made available to the public no later than the same time that a recommendation for awarding a contract is made to the governing board or persons responsible for approving the award of a contract to a bidder, except that the price proposed in any bidder's initial bid shall be available upon the opening of the bid by the agency requesting the bid.

**B. Disclosure of Records:**

- i. Unless a State or Federal law or regulation requires that information or a document is exempt from disclosure to third parties, MTS does not consent to withhold information, merely because it is accompanied by a routine confidentiality statement.
- ii. As provided by State and Federal laws, regulations, and guidance, MTS will review information and documents that are the subject of each confidentiality request to determine the extent to which MTS must withhold the information or those documents.
- iii. Any genuinely confidential or privileged information should be:
  - a) Marked clearly and specifically as "Trade Secret", "Confidential" or "Proprietary," and
  - b) Accompanied by a statement detailing why the information is exempt from public disclosure under State and Federal law. Simply restating the Civil Code definition of a "Trade Secret" is not sufficient. The statement must include a factual and legal analysis supporting the Bidder's conclusion that the specific document marked is exempt from disclosure.

**C. Exemption from Disclosure may be deemed Unresponsive:**

MTS will take into consideration, documents that Bidder deem exempt from disclosure, which must be marked "Trade Secret", "Confidential" or "Proprietary." Bidders who indiscriminately identify all or most of their Bids as exempt from disclosure without justification may be deemed unresponsive.

**D. Indemnification of MTS by Contractor:**

The Bidder agrees to defend and indemnify MTS in any action on a PRA request for any of the contents of a Bid marked "Trade Secret", "Confidential" or "Proprietary."

Bidder agrees to absorb all costs and expenses, including attorneys' fees, in any action or liability arising from Bidder's claim that its documents are exempt from disclosure under the Public Records Act.

**E. Public Interest:**

The public interest exemption of the California PRA provides that an agency may withhold the disclosure of a record by showing that the public interest served by not making the record public clearly outweighs the public interest served by disclosure of the record.

Bidders must sign the attached PRA Acknowledgement form and submit with the bid.

**2.25. SALES AND OTHER APPLICABLE TAXES, PERMITS, LICENSES AND FEES**

Contractor and its subcontractors performing work under this Contract will be required to pay California sales tax and other applicable taxes, and to pay for permits, licenses and fees required by the agencies with authority in the jurisdiction in which the Work will be located, unless otherwise expressly provided by the Contract Documents. Bidders shall include all applicable taxes and fees that are in effect or reasonably anticipated on the bid date in their bid price.

**2.26. PAYMENT BOND AND PERFORMANCE BOND REQUIREMENTS****A. Payment Bond:**

A payment bond executed by an admitted surety insurer (as defined by Cal. Code Civ. Proc., § 995.120) is required. Once MTS notifies the Bidder of the award, the successful bidder will have fourteen (14) calendar days from the date of this notification to execute the contract and supply MTS with a payment bond equal to 100% of the contract price. The executed payment bond shall be in the form supplied by MTS. Should the successful bidder be unable to provide the required payment bond within the specified time, award may be made to the next lowest responsive and responsible bidder. Failure to furnish a payment bond within the time prescribed may, in the sole discretion of MTS, result in the forfeiture of the Bid Security.

**B. Performance Bond:**

A performance bond executed by an admitted surety insurer (as defined by Cal. Code Civ. Proc., § 995.120) is required. Once MTS notifies the Bidder of the award, the successful bidder will have fourteen (14) calendar days from the date of this notification to execute the contract and supply MTS with a performance bond equal to 100% of the contract price. The executed performance bond shall be in the form supplied by MTS. Should the successful bidder be unable to provide the required performance bond within the specified time, award may be made to the next lowest responsive and responsible bidder. Failure to furnish a bond within the time prescribed may, in the sole discretion of MTS, result in the forfeiture of the Bid Security.

**2.27. BID REQUIREMENTS AND UNDERSTANDING**

Bids are to be submitted for the entire Work. All Bid items must be filled out, and extensions carried out as appropriate. A blank space will be considered nonresponsive. If zero is intended then a "0" must be entered for both unit price and amount.

Bidder further agrees to accept as full payment for the Work specified herein, the amounts contained in the Bid Schedule, based on the lump sum and unit price amounts, it being expressly understood that the unit prices are independent of the exact quantities involved. Bidder agrees that the lump sum amounts, and unit price amounts represent a true measure of the labor, material, and equipment required to perform the Work, including all allowances for overhead and profit. If so requested by MTS, Bidder shall substantiate any price or prices with additional detailed

price breakdown.

MTS may reject any Bid which, in its opinion when compared to other Bids received or to MTS's internal estimates, does not accurately reflect the cost to perform the Work. MTS may reject as non-responsive any Bid which unevenly weights or allocates costs, including but not limited to overhead and profit to one or more particular bid items.

## **2.28. ARITHMETIC DISCREPANCIES**

For the purpose of evaluating Bids, the following will be utilized in resolving arithmetic discrepancies found on the face of the Schedule of Pay Items, as submitted by Bidders:

- A. Obviously misplaced decimal points will be corrected.
- B. In case of discrepancy between unit price and extended price, the unit price will govern.
- C. Apparent errors in extension of unit prices will be corrected; and
- D. Apparent errors in addition of lump sum and extended prices will be corrected.

For the purpose of evaluating bids, MTS will proceed on the assumption that the Bidder intends its bid to be evaluated on the basis of the unit price, extensions, and totals arrived at by resolution of arithmetic discrepancies as provided above and the bid will be so reflected on any subsequent tabulation of bids.

## **2.29. SIGNING OF BIDS**

All Bids submitted shall be executed by the Bidder or its authorized representative. Bidders may be asked to provide evidence in the form of an authenticated resolution of its Board of Directors or a Power of Attorney evidencing the capacity of the person signing the Bid to bind the Bidder to each Bid and to any Contract arising therefrom.

If a Bidder is a joint venture or partnership, it may be asked to submit an authenticated Power of Attorney executed by each joint venturer or partner appointing and designating one of the joint venturers or partners as a management sponsor to execute the Bid on behalf of Bidder. Only that joint venturer or partner shall execute the Bid. The Power of Attorney shall also: (1) authorize that particular joint venturer or partner to act for and bind Bidder in all matters relating to the Bid; and (2) provide that each venturer or partner shall be jointly and severally liable for any and all of the duties and obligations of Bidder assumed under the Bid and under any Contract arising therefrom. The Bid shall be executed by the designated joint venturer or partner on behalf of the joint venture or partnership in its legal name.

## **2.30. SUBMISSION OF SEALED BIDS**

Once the Bid and supporting documents have been completed and signed as set forth herein, they shall be uploaded to the MTS's PlanetBids site. MTS will accept electronic copies of the Bid Bond as part of the Bid submittal on PlanetBids. There is no need to mail, or hand deliver the Bid Bond to MTS. MTS may also request a physical copy after bid opening. If Bidder is requested to submit a physical copy of the Bid Bond, the envelope shall bear the title of the Project and the name of the Bidder. No oral or telephonic bids will be considered. No forms transmitted via e-mail, facsimile, will be considered unless specifically authorized by MTS as provided herein. Bids received after the time and day set for the receipt of bids shall be returned to the Bidder unopened.

**2.31. OPENING OF BIDS**

At the time and place set for the opening and reading of bids, each and every bid received prior to the time and day set for the receipt of bids will be publicly opened and read. MTS will leave unopened any Bid received after the specified date and time, and any such unopened Bid will be returned to the Bidder. It is the Bidder's sole responsibility to ensure that its Bid is received as specified. Bids may be submitted earlier than the date(s) and time(s) indicated.

Bidders or their representatives and other interested persons may be present at the opening of the bids. MTS may, in its sole discretion, elect to postpone the opening of the submitted Bids. MTS reserves the right to reject any or all Bids and to waive any informality or irregularity in any Bid.

**2.32. NOTICE OF INTENT TO AWARD (NIA) AND DEBRIEFING**

Bidders who submit a bid in response to this IFB will be notified of MTS' intent to award a Contract. Any protest with this notice must comply with the protest requirements shown in the IFB. Bidders who were not awarded the contract may obtain a prompt explanation concerning their bid. Unsuccessful Bidders who wish to be debriefed must request the debriefing in writing, and MTS must receive it no later than three (3) days after the NIA is issued.

**2.33. AWARD PROCESS**

Once all Bids are opened and reviewed to determine the lowest responsive and responsible Bidder, MTS's Board may award the contract. The apparent successful Bidder should begin to prepare the following documents:

- A. Performance Bond;
- B. Payment Bond;
- C. Required insurance certificates and endorsements; and
- D. Completed W-9 forms.

Once MTS notifies the Bidder of the award, the Bidder will have fourteen (14) calendar days from the date of this notification to execute the Contract and supply MTS with all of the required documents and certifications.

The Bidder's failure to submit the required documents within the stated time may result in loss of the Contract and forfeiture of the bid security, and MTS may award the Contract to the next lowest Bidder. If MTS elects to accept the required documents after the expiration of the stated time, the Contract duration will begin to run fourteen (14) calendar days from the date of the notification of award even if MTS has not issued a Notice to Proceed. Otherwise, once MTS receives all of the properly drafted and executed documents and certifications from the Bidder, MTS shall issue a Notice to Proceed to that Bidder and the Contract duration shall commence on the date stated in the Notice to Proceed.

**2.34. EXECUTION OF CONTRACT**

As required herein the Bidder to whom an award is made shall execute the Contract in the amount determined by the Contract Documents. MTS may require appropriate evidence that the persons executing the Contract are duly empowered to do so. The Contract and bond forms to be executed by the successful Bidder are included within these Specifications and shall not be detached.

# **EXHIBIT A**

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## **STANDARD CONSTRUCTION AGREEMENT AND GENERAL CONDITIONS**

### 3. STANDARD CONSTRUCTION AGREEMENT AND GENERAL CONDITIONS

#### STANDARD CONSTRUCTION AGREEMENT

#### FOR

MTS DOC. NO. PWL471.0-26

#### BEYER BLVD PATHWAY IMPROVEMENTS

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2026, 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: \_\_\_\_\_ Address: \_\_\_\_\_

Form of Business: \_\_\_\_\_  
(Corporation, Partnership, Sole Proprietor, etc.)

Email: \_\_\_\_\_

Telephone: \_\_\_\_\_

Authorized person to sign contracts \_\_\_\_\_  
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 accordance with the Standard Agreement and General Conditions (Exhibit A), Scope of Work, Special Conditions and Attachments (Exhibit B), Bid Price Form (Exhibit C) and Forms (Exhibit D).

#### 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:

#### BEYER BLVD PATHWAY IMPROVEMENTS

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.

Time is of the essence in the performance of the Work. The Work shall be commenced by the date stated in MTS's Notice to Proceed. The Contractor shall complete all Work required by the

Contract Documents within **183 calendar days** from the commencement date stated in the Notice to Proceed. By its signature hereunder, Contractor agrees the Contract Time is adequate and reasonable to complete the Work.

**CONTRACT PRICE.**

MTS shall pay the Contractor as full compensation for the performance of the Contract, subject to any additions or deductions as provided in the Contract Documents, and including all applicable taxes and costs, the sum of **\$TBD**. Payment shall be made as set forth in the General Conditions.

**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.

**PROJECT LABOR AGREEMENT.**

Contractor shall comply with MTS's Project Labor Agreement in the performance of the Work.

| SAN DIEGO METROPOLITAN TRANSIT SYSTEM  |  | CONTRACTOR NAME |  |
|----------------------------------------|--|-----------------|--|
| By:                                    |  | By              |  |
| Sharon Cooney, Chief Executive Officer |  |                 |  |
| Approved as to form:                   |  |                 |  |
| By:                                    |  | Title:          |  |
| Karen Landers, General Counsel         |  |                 |  |



## GENERAL CONDITIONS

### 3.1. DEFINITIONS

Wherever used in the Contract Documents and printed with initial capital letters, the terms listed below will have the meanings indicated which are applicable to both the singular and plural thereof. In addition to terms specifically defined below, terms with initial capital letters in the Contract Documents include references to identified articles and paragraphs, and the titles of other documents or forms.

- A. Act of God is an earthquake in excess of a magnitude of 3.5 on the Richter scale or a tidal wave.
- B. Applicable Laws -- The laws, statutes, ordinances, rules, codes, regulations, permits, and licenses of any kind, issued by local, state or federal governmental authorities or private authorities with jurisdiction (including utilities), to the extent they apply to the Work.
- C. Approval means written authorization by Engineer and/or MTS.
- D. Board of Directors, Board means the Board of Directors of MTS.
- E. Claim -- A demand or assertion by MTS or Contractor seeking an adjustment of Contract Price or Contract Times, or both, or other relief with respect to the terms of the Contract. A demand for money or services by a third party is not a Claim.
- F. Contract -- The entire integrated written agreement between MTS and Contractor concerning the Work. "Contract" may be used interchangeably with "Agreement" in the Contract Documents. The Contract supersedes prior negotiations, representations, or agreements, whether written or oral, and includes all Contract Documents.
- G. Contract Documents -- The documents are listed in the Contracts Documents Section of this IFB. Some documents provided by MTS to the Bidders and Contractor, including but not limited to reports and drawings of subsurface and physical conditions, are not Contract Documents.
- H. Contract Price -- Amount to be paid by MTS to the Contractor as full compensation for the performance of the Contract and completion of the Work, subject to any additions or deductions as provided in the Contract Documents and including all applicable taxes and costs.
- I. Contract Times -- The number of days or the dates stated in the Contract Documents to: achieve defined Milestones, if any; and to complete the Work so that it is ready for final payment.
- J. Contractor means the person, firm or corporation with whom a contract has been made for the performance of the Work or any part thereof covered by these Specifications. The Contractor shall designate in writing to MTS the name of its authorized representative who shall have sole authority to direct the Work and receive orders from MTS.
- K. Day shall mean calendar day of 24 hours measured from midnight to the next midnight.
- L. Engineer of Record (EOR) is the individual, partnership, corporation, joint venture, or other legal entity who stamped the plans, named as such in the Special Conditions, or any succeeding entity designated by MTS.

- M. Green Book -- The current edition, unless otherwise designated, of the Standard Specifications for Public Works Construction promulgated by the Joint Cooperative Committee of the Southern California Chapter American Public Works Association and the Southern California Districts of the Associated General Contractors of California.
- N. Install means the complete installation of any item, equipment, or material.
- O. Material shall include machinery, equipment, manufactured articles, or construction such as form work, fasteners, etc., and any other classes of material to be furnished in connection with the Contract. All materials shall be new unless specified otherwise.
- P. MTS -- shall mean the San Diego Metropolitan Transit System, as well as its subsidiary corporations, including San Diego Trolley, Inc. (SDTI); San Diego Transit Corporation (SDTC); and the San Diego & Arizona Eastern (SD&AE) Railway Company.
- Q. Perform shall mean that the Contractor, at Contractor's expense, shall take all actions necessary to complete the Work for the Project, including furnishing of necessary labor, tools, and equipment, and providing and installing Materials that are indicated, specified, or required to complete such performance.
- R. Project is the project planned by MTS as provided in the Contract Documents.
- S. Recyclable Waste Materials -- Are Materials removed from the Project sites which are required to be diverted to a recycling center rather than an area landfill in accordance with the local agency's jurisdiction. Recyclable Waste Materials include asphalt, concrete, brick, concrete block, and rock.
- T. Site -- Lands or areas indicated in the Contract Documents as being furnished by MTS upon which the Work is to be performed, including rights-of-way and easements for access thereto, and such other lands furnished by MTS which are designated for the use of Contractor.
- U. Work -- The entire construction or the various separately identifiable parts thereof required to be provided under the Contract Documents. Work includes and is the result of performing or providing all labor, services, and documentation necessary to produce such construction, and furnishing, installing, and incorporating all materials and equipment into such construction, all as required by the Contract Documents.

### 3.2. TERMINOLOGY

- A. The words and terms below are not defined but, when used in the Contract Documents, have the indicated meaning.
  - i. The word "furnish," when used in connection with services, materials, or equipment, shall mean to supply and deliver said services, materials, or equipment to the Site (or some other specified location) ready for use or installation and in usable or operable condition.
  - ii. The word "install," when used in connection with services, materials, or equipment, shall mean to put into use or place in final position said services, materials, or equipment complete and ready for intended use. The words "perform" or "provide," when used in connection with services, materials, or equipment, shall mean to furnish and install said services, materials, or equipment complete and ready for intended use.

- iii. Regardless of whether “furnish,” “install,” “perform,” or “provide” is used in connection with services, materials, or equipment, an obligation of Contractor is implied.
- B. Unless stated otherwise in the Contract Documents, words or phrases that have a well-known technical or construction industry or trade meaning are used in the Contract Documents in accordance with such recognized meaning.

### 3.3. CONTRACT DOCUMENTS

The Contract Documents are complementary, and what is called for by one shall be as binding as if called for by all. The contract documents comprise the component parts of the contract. The Contractor shall complete the Work in strict accordance with all of the Contract Documents. This Contract shall supersede any prior agreement of the parties.

#### **Interpretations:**

The Contract Documents are intended to be fully cooperative and complementary. If the Contractor observes that any documents are in conflict, the Contractor shall promptly notify MTS in writing.

In case of conflicts between the Contract Documents, the order of precedence shall be as follows:

- A. Permits from other agencies as may be required by law
- B. Change Orders, most recent first
- C. Addenda
- D. Special Conditions
- E. Project-Specific Technical Specifications, if applicable, prepared by Psomas, dated April 28, 2026
- F. Plans (Contract Drawings), prepared by Psomas, dated April 28, 2026
- G. Contract
- H. General Conditions
- I. Contractor’s Bid Forms
- J. 2024 Greenbook: Standard Specifications for Public Works Construction
- K. Reference Documents

#### **With reference to the Drawings, the order of precedence shall be as follows:**

- A. Figures govern over scaled dimensions
- B. Detail drawings govern over general Drawings
- C. Addenda or Change Order drawings govern over Contract Drawings
- D. Contract Drawings govern over Standard Drawings
- E. Contract Drawings govern over Shop Drawings.

**Conflicts in Contract Documents:**

Notwithstanding the orders of precedence established above, in the event of conflicts, the higher standard, higher quality and most expensive shall always apply Contractor shall comply with all requirements of the Contract Documents.

**Organization of Contract Documents:**

Organization of the Contract Documents into divisions, sections, and articles, and arrangement of drawings shall not control the Contractor in dividing Work among subcontractors or in establishing the extent of Work to be performed by any trade.

**Ownership of Contract Documents:**

All Contract Documents furnished by MTS are MTS property. They are not to be used by Contractor or any subcontractor on other work, nor shall Contractor claim any right to such documents. With exception of one complete set of Contract Documents, all documents shall be returned to MTS on request at completion of the Work.

**3.4. EXAMINATION OF DRAWINGS, SPECIFICATIONS AND SITE OF WORK****Examination of Contract Documents:**

Before commencing any portion of the Work, Contractor shall again carefully examine all applicable Contract Documents, the Project site, and other information given to Contractor as to materials and methods of construction and other Project requirements. Contractor shall immediately notify MTS of any potential error, inconsistency, ambiguity, conflict, or lack of detail or explanation. If Contractor performs, permits, or causes the performance of any Work which is in error, inconsistent or ambiguous, or not sufficiently detailed or explained, Contractor shall bear any and all resulting costs, including, without limitation, the cost of correction. In no case shall the Contractor or any subcontractor proceed with Work if uncertain as to the applicable requirements.

**Additional Instructions:**

After notification of any error, inconsistency, ambiguity, conflict, or lack of detail or explanation, MTS will provide any required additional instructions, by means of drawings or other written direction, necessary for proper execution of Work.

**Quality of Parts, Construction and Finish:**

All parts of the Work shall be of the best quality of their respective kinds, and the Contractor must use all diligence to inform itself fully as to the required construction and finish. In no case shall Contractor proceed with the Work without obtaining first from MTS such Approval may be necessary for the proper performance of Work.

**Contractor's Variation from Contract Document Requirements:**

If it is found that the Contractor has varied from the requirements of the Contract Documents including the requirement to comply with all applicable laws, ordinances, rules and regulations, MTS may at any time, before or after completion of the Work, order the improper Work removed, remade or replaced by the Contractor at the Contractor's expense.

**3.5. LICENSING REQUIREMENTS**

Pursuant to section 7028.15 of the Business and Professions Code and section 3300 of the Public Contract Code, all bidders must possess licenses issued by the State of California Contractors

License Board for performance of this Contract. Pursuant to section 7028.15 of the Business and Professions Code, and unless otherwise specified herein, any bid submitted by a contractor not currently licensed in accordance with state law and pursuant to the requirements found in the Contract Documents shall be nonresponsive, and MTS shall reject the Bid. MTS shall have the right to request, and Bidders shall provide within five (5) Days, evidence satisfactory to MTS of all valid license(s) currently held by that Bidder before awarding the Contract. Pursuant to Public Contract Code section 20676, sellers of "mined material" must be on an approved list of sellers published pursuant to Public Resources Code section 2717(b) in order to supply mined material for this Contract.

### **3.6. EXISTENCE OF UTILITIES AT THE WORK SITE**

#### **Existing Utilities:**

Locations of existing utilities shown on the Plans are approximate and may not be complete. The Contractor shall be responsible for coordinating its Work with all utility companies during the construction of the Work.

Water service connections may be shown on the Plans showing general locations of such connections. It shall be the responsibility of the Contractor to determine the exact location of all service connections. The Contractor shall make its own investigations, including exploratory excavations, to determine the locations and type of service connections, prior to commencing Work which could result in damage to such utilities.

Nothing herein shall be deemed to require MTS to indicate the presence of existing service laterals or appurtenances whenever the presence of such utilities can be inferred from the presence of other visible facilities, such as buildings, cleanouts, meter and junction boxes, on or adjacent to the site of the Project.

It shall be the Contractor's responsibility to determine the exact location and depth of all utilities, including service connections, which have been marked by the respective utility owners and which the Contractor believes may affect or be affected by the Contractor's operations. The Contractor shall not be entitled to additional compensation or time extensions for work necessary to avoid interferences or for repair to damaged utilities if the Contractor does not expose all such existing utilities as required by this Section.

#### **Relocation of Utilities:**

When the Contract Documents provide for Contractor to alter, relocate, or reconstruct a utility, all costs for such Work shall be included in the Contract Price.

Temporary or permanent relocation or alteration of indicated utilities requested by Contractor for Contractor's convenience shall be Contractor's responsibility, and Contractor shall make all arrangements and bear all costs.

After award of the Contract, portions of utilities not indicated in the Contract Documents which are found to interfere with the Work may be relocated, altered, or reconstructed by the utility owner, or MTS may order changes in the Work to avoid interference. Such changes will be paid for in accordance with these General Conditions.

#### **Protection of Utilities:**

Contractor shall not interrupt the service function or disturb the support of any utility, without authority from MTS or order from the utility owner. All valves, switches, vaults, and meters shall

be maintained readily accessible for emergency shutoff. Where protection is required to ensure support of utilities shown in the Contract Documents, Contractor shall, unless otherwise provided, furnish and place the necessary protection at its expense.

### **3.7. SOILS INVESTIGATIONS**

When a soils investigation report for the Project is known to MTS, such report shall be attached to these Specifications. Any information obtained from such report as to subsurface soil conditions is approximate only and is not guaranteed. Contractor acknowledges that such report was prepared for purposes of information only and Contractor is required to examine the site before submitting its bid and must conduct whatever measures it deems appropriate to determine the underground condition of the soil.

### **3.8. SCHEDULE**

#### **General Requirements:**

The schedule shall be prepared in a Critical Path Method ("CPM") format and in an electronic scheduling program acceptable to MTS. Contractor shall deliver the schedule and all updates to MTS in both paper and electronic form. The electronic versions shall be in the same format and include all data used to prepare the schedule; pdf. copies alone are not acceptable.

#### **Initial Schedule:**

Within fourteen (14) calendar days after the issuance of the Notice to Proceed, Contractor shall prepare a Project schedule and shall submit this to MTS for Approval. The receipt or Approval of any schedules by MTS shall not in any way relieve the Contractor of its obligations under the Contract Documents. The Contractor is fully responsible to determine and provide for any and all staffing and resources at levels which allow for good quality and timely completion of the Project. Contractor's failure to incorporate all elements of Work required for the performance of the Contract or any inaccuracy in the schedule shall not excuse the Contractor from performing all Work required for a completed Project within the specified Contract time period. If the required schedule is not received by the time the first payment under the Contract is due, Contractor shall not be paid until the schedule is received, reviewed and accepted by MTS.

#### **Schedule Contents:**

The schedule shall indicate the beginning and completion dates of all phases of construction; critical path for all critical, sequential time related activities; and "float time" for all "slack" or "gaps" in the non-critical activities. The schedule shall clearly identify all staffing and other resources which in the Contractor's judgment are needed to complete the Project within the time specified for completion. The schedule shall include the necessary time for processing submittals, permits, and traffic control plans. The overall Project Schedule duration shall be within the Contract Time.

#### **Schedule Updates:**

Contractor shall continuously update its construction schedule. Contractor shall submit an updated and accurate construction schedule to MTS monthly when requested to do so by Engineer. MTS may withhold progress payments or other amounts due under the Contract Documents if Contractor fails to submit an updated and accurate construction schedule.

#### **Recovery Schedule:**

Should any of the following conditions exist, MTS may require Contractor to prepare, at no extra cost to MTS, a plan of action and a Recovery Schedule for completing the Work and achieving all contractual milestones within the allotted Contract Time:

- A. The Contractor's monthly progress report indicates delays that are, in the opinion of MTS, of sufficient magnitude that MTS questions the Contractor's ability to complete the Work;
- B. The CPM schedule shows the Contractor to be thirty (30) or more days behind the critical path at any time during construction;
- C. The Contractor desires to make changes in the logic or the planned duration of future activities of the CPM schedule which, in the opinion of MTS, are major in nature.
- D. The recovery schedule shall include proposed revisions to the construction schedule, demonstrating how Contractor intends to achieve all contractual milestones including contract completion within the allotted Contract Time. The submittal shall include a narrative describing the actions planned by the Contractor to recover the schedule.
- E. Contractor shall submit the Recovery Schedule within seven (7) Days of MTS's request.

Contractor is responsible for all costs associated with the preparation and execution of the Recovery Schedule, including any necessary recovery actions, which may include, but are not limited to, assignment of additional labor, and/or equipment, shift or overtime work, expediting of submittals or deliveries, overlapping of activities or sequencing changes to increase activity concurrence.

Regardless of whether MTS directs Contractor to prepare a Recovery Schedule pursuant to this Section, Contractor shall promptly undertake appropriate action at no additional cost to MTS to recover the schedule whenever the current construction schedule shows that the Contractor will not achieve a milestone and/or complete the Work within the allotted Contract Time.

### **3.9. SUBMITTALS**

At the preconstruction meeting, Contractor shall furnish to MTS for approval a log of all samples, material lists and certifications, mix designs, schedules, and other submittals, as required in the Contract Documents. The log shall indicate whether samples will be provided in accordance with other provisions of this Contract.

Contractor will provide samples and submittals, together with catalogs and supporting data required by MTS, to MTS within a reasonable time period to provide for adequate review and avoid delays in the Work.

These requirements shall not authorize any extension of time for performance of this Contract. Engineer will check and approve such samples, but only for conformance with design concept of work and for compliance with information given in the Contract Documents. Work shall be in accordance with approved samples and submittals.

### **3.10. SHOP DRAWINGS**

Contractor shall check and verify all field measurements and shall submit with such promptness as to provide adequate time for review and cause no delay in its own Work or in that of any other contractor, subcontractor, or worker on the Project, six (6) copies of all shop drawings, calculations, schedules, and materials list, and all other provisions required by the Contract Documents. Contractor shall sign all submittals affirming that submittals have been reviewed and

approved by Contractor prior to submission to Engineer. Each signed submittal shall affirm that the submittal meets all the requirements of the Contract Documents except as specifically and clearly noted and listed on the transmittal letter of the submittal.

Contractor shall make any corrections required by MTS, and file with MTS six (6) corrected copies each, and furnish such other copies as may be needed for completion of the Work. Engineer's approval of shop drawings shall not relieve Contractor from responsibility for deviations from the Contract Documents unless Contractor has, in writing, called Engineer's attention to such deviations at time of submission and has secured MTS's written Approval. Engineer's Approval of shop drawings shall not relieve Contractor from responsibility for errors in shop drawings.

### **3.11. MATERIALS**

Except as otherwise specifically stated in the Contract Documents, Contractor shall provide and pay for all materials, labor, tools, equipment, lights, power, transportation, superintendence, temporary constructions of every nature, and all other services and facilities of every nature whatsoever necessary to execute and complete this Contract within specified time.

Unless otherwise specified, all materials shall be new and the best of their respective kinds and grades as noted and/or specified, and workmanship shall be of good quality.

Materials shall be furnished in ample quantities and at such times as to ensure uninterrupted progress of the Work and shall be stored properly and protected as required by the Contract Documents. Contractor shall be entirely responsible for damage or loss by weather or other causes to materials or Work.

No materials, supplies, or equipment for Work under this Contract shall be purchased subject to any chattel mortgage or under a conditional sale or other agreement by which an interest therein or in any part thereof is retained by the seller or supplier. Contractor warrants good title to all material, supplies, and equipment installed or incorporated in the work and agrees upon completion of all work to deliver the Project to MTS free from any claims, liens, or charges.

Materials shall be stored on the Project site in such manner so as not to interfere with any operations of MTS or any independent contractor.

Contractor shall verify all measurements, dimensions, elevations, and quantities before ordering any materials or performing any Work, and MTS shall not be liable for Contractor's failure to do so. No additional compensation, over and above payment for the actual quantities at the prices set out in the Bid Form, will be allowed because of differences between actual measurements, dimension, elevations and quantities and those indicated on the Plans and in the Specifications.

MTS shall provide compensation for actual quantities of materials installed in accordance with the Contract Documents and at the price set forth in the Contractor's bid and/or executed change order. MTS is not obligated to pay for materials stored on/off site but not installed in accordance with the Contract Documents.

### **3.12. REQUESTS FOR SUBSTITUTION**

For the purposes of this provision, the term "substitution" shall mean the substitution of any material, method or service substantially equal to or better in every respect to that indicated in the Standard Specifications or otherwise referenced herein.

Pursuant to Public Contract Code section 3400(b), MTS may make a finding that is described in the IFB that designates certain products, things, or services by specific brand or trade name.



Unless specifically designated in the Special Conditions, whenever any material, process, or article is indicated or specified by grade, patent, or proprietary name or by name of manufacturer, such specifications shall be deemed to be used for the purpose of facilitating the description of the material, process, or article desired and shall be deemed to be followed by the words "or equal." Contractor may, unless otherwise stated, offer for substitution any material, process, or article which may be substantially equal or better in every respect to that so indicated or specified in the Contract Documents. However, MTS has adopted uniform standards for certain materials, processes, and articles.

The Contractor shall submit substitution requests, together with substantiating data, for substitution of any "or equal" material, process, or article no later than the preconstruction meeting. Provisions regarding submission of substitution requests shall not in any way authorize an extension of time for the performance of this Contract. If a substitution request is rejected by MTS, the Contractor shall provide the material, method or service specified herein. MTS shall not be responsible for any costs incurred by the Contractor associated with substitution requests. The burden of proof as to the equality of any material, process, or article shall rest with the Contractor. MTS has the complete and sole discretion to determine if a material, process, or article is substantially equal to or better than that specified and to approve or reject all substitution requests.

Substantiating data as described above shall include, at a minimum, the following information:

- A. A signed affidavit from the Contractor stating that the material, process, or article proposed as a substitution is substantially equal to or better than that specified in every way except as may be listed on the affidavit.
- B. Illustrations, specifications, catalog cut sheets, and any other relevant data required to prove that the material, process, or article is substantially equal to or better than that specified.
- C. A statement of the cost implications of the substitution being requested, indicating whether and why the proposed substitution will reduce or increase the amount of the contract.
- D. Information detailing the durability and lifecycle costs of the proposed substitution.

Failure to submit all the required substantiating data detailed above in a timely manner so that the substitution request can be adequately reviewed may result in rejection of the substitution request. MTS is not obligated to review multiple submittals related the same substitution request resulting from the Contractor's failure to initially submit a complete package.

Time limitations within this Section shall be strictly complied with and in no case will an extension of time for completion of the contract be granted because of Contractor's failure to provide substitution requests at the time and in the manner described herein.

The Contractor shall bear the costs of all MTS work associated with the review of substitution requests.

If substitution requests approved by MTS require that Contractor furnish materials, methods or services more expensive than that specified, the increased costs shall be borne by Contractor.

### **3.13. PERMITS AND LICENSES**

MTS will obtain the necessary encroachment permits for work within the public rights-of-way. Contractor shall obtain all other necessary permits and licenses for the construction of the project,

shall pay all fees required by law and shall comply with all laws, ordinances, rules and regulations relating to the work and to the preservation of public health and safety. Before acceptance of the Project, the Contractor shall submit all licenses, permits, certificates of inspection and required approvals to MTS.

Each bidder shall be a licensed contractor pursuant to sections 7000 et seq. of the Business and Professions Code in the following classification(s): A for the duration of the Contract.

### 3.14. POWER MATERIALS

Contractor shall provide at its own expense all necessary power required for operations under the contract. The Contractor shall provide and maintain in good order such modern equipment and installations as shall be adequate in the opinion of MTS to perform in a safe and satisfactory manner the work required by the contract.

### 3.15. EXCAVATION

#### **Excavations Four (4) Feet or More in Depth:**

Per Cal. Pub. Con. Code 7104, if the Work involves excavating trenches or other excavations that extend deeper than four (4) feet below the surface, Contractor shall promptly, and before the excavation is further disturbed, notify MTS in writing of any of the following conditions:

- A. Material that the Contractor believes may be material that is hazardous waste, as defined in section 25117 of the Health and Safety Code, which is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law.
- B. Subsurface or latent physical conditions at the site differing from those indicated.
- C. Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract.

### 3.16. TRAFFIC CONTROL

Traffic control plan(s) for the work may be required by the Agency(s) of Jurisdiction. Traffic control plans, if required, shall be prepared at Contractor's expense, and traffic control shall be performed at Contractor's expense in accordance with the requirements of the Agency(s) of Jurisdiction.

All warning signs and safety devices used by the Contractor to perform the work shall conform to the requirements contained in the State of California, Department of Transportation's current edition of "Manual of Traffic Controls for Construction and Maintenance Work Zones." The Contractor shall also be responsible for all traffic control required by the agency having jurisdiction over the Project on the intersecting streets. Contractor must submit a traffic control plan to the agency having jurisdiction over the project for approval within fourteen (14) calendar Days of Contract award. **The approved traffic plan must be submitted to MTS prior to the commencement of work in a public street.**

The Contractor's representative on the site responsible for traffic control shall produce evidence that he/she has completed training acceptable to the California Department of Transportation for safety through construction zones. All of the streets in which the Work will occur shall remain open to traffic and one lane of traffic maintained at all times unless otherwise directed by the agency of jurisdiction. Businesses and residences adjacent to the work shall be notified forty-eight (48) hours in advance of closing of driveways. The Contractor shall make every effort to minimize the

amount of public parking temporarily eliminated due to construction in areas fronting businesses. No stockpiles of pipe or other material will be allowed in traveled rights-of-way after working hours unless otherwise approved by MTS.

These requirements shall not authorize any extension of time for performance of this Contract.

### **3.17. SUPERVISION AND SUPERINTENDENCE**

Contractor shall supervise, inspect, and direct the Work competently and efficiently, devoting such attention thereto and applying such skills and expertise as may be necessary to perform the Work in accordance with the Contract Documents. Contractor shall be solely responsible for the means, methods, techniques, sequences, and procedures of construction.

At all times during the progress of the Work, Contractor shall assign a competent resident superintendent who shall not be replaced without written notice to MTS except under extraordinary circumstances. Superintendent must be able to proficiently speak, read and write in English.

Contractor shall at all times enforce strict discipline and good order among its employees. Contractor shall not employ on the Project any unfit person or any one not skilled in the Work assigned to him or her. Any person in the employ of the Contractor whom MTS may deem incompetent or unfit shall be dismissed from the Work and shall not be employed on this Project.

### **3.18. CONTRACTOR'S SELF-PERFORMANCE**

Contractor must self-perform a minimum of **thirty percent (30%)** of work on the Project.

### **3.19. SUBCONTRACTORS**

Contractor agrees to bind every subcontractor to the terms of the Contract Documents as far as such terms are applicable to subcontractor's portion of the Work. Contractor shall be as fully responsible to MTS for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by its subcontractors, as Contractor is for acts and omissions of persons directly employed by Contractor. Nothing contained in these Contract Documents shall create any contractual relationship between any subcontractor and MTS.

MTS reserves the right to Approve all subcontractors. MTS's Approval of any subcontractor under this Contract shall not in any way relieve Contractor of its obligations in the Contract Documents.

Prior to substituting any subcontractor listed in the Bid Forms, Contractor must comply with the requirements of the Subletting and Subcontracting Fair Practices Act pursuant to California Public Contract Code section 4100 et seq.

### **3.20. INDEMNIFICATION**

To the fullest extent allowed by law, Contractor shall defend, indemnify and hold MTS, SDTI, SDTC, SD&AE, SD&IV and any and all of its directors, officers, agents or employees, free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages or injuries, in law or in equity, to property or persons, including wrongful death, regardless of whether the allegations are false, fraudulent, or groundless, arising out of, related to, or in connection with the Work or this Contract, including claims made by subcontractors for nonpayment, and including without limitation the payment of all consequential damages and attorney's fees and other related costs and expenses. Contractor shall defend, at Contractor's own cost, expense and risk, with counsel of MTS's choosing, any and all such suits, actions or

other legal proceedings of every kind that may be brought or instituted against MTS, SDTI, SDTC, SD&AE, SD&IV and any and all of its directors, officers, agents or employees. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against MTS, SDTI, SDTC, SD&AE, SD&IV and any and all of its directors, officers, agents or employees, in any such suit, action or other legal proceeding. Contractor shall reimburse MTS, SDTI, SDTC, SD&AE, SD&IV and any and all of its directors, officers, agents or employees for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. The only limitations on this provision shall be those imposed by Civil Code section 2782.

Contractor agrees to pay, or reimburse MTS, SDTI, SDTC, SD&AE, and SD&IV for regulatory agency or court-imposed fees, fines, or penalties imposed on MTS, SDTI, SDTC, SD&AE, and SD&IV arising from Contractor's failure to complete the Work in a timely manner and/or in accordance with the Contract Documents and any applicable permits or Applicable Laws. Contractor's responsibility and obligation to pay, or reimburse, MTS for these fees, fines, or penalties shall be in addition to the assessment of liquidated damages for late completion of the Work.

### **3.21. COMPLIANCE WITH GENERAL CONSTRUCTION PERMIT FOR CONSTRUCTION ACTIVITY SCHEDULE**

Storm, surface, nuisance, or other waters may be encountered at various times during construction of the Work. The Contractor, by submitting a Bid, hereby acknowledges that it has investigated the risk arising from such waters, has prepared its Bid accordingly, and assumes any and all risks and liabilities arising therefrom.

Contractor shall obtain coverage for the Project under the State Water Resources Control Board (State Board) Water Quality Order No. 2022-0057-DWQ, National Pollutant Discharge Elimination System (NPDES) General Permit for Storm Water Discharges Associated with Construction Activity, NPDES Permit No. CAS000002 (Construction General Permit) or any amendment, renewal or reissuance thereof, for all projects that involve construction on or disturbance of one acre or more of land or which are part of a larger common area of development.

For projects that disturb less than one acre of land, Contractor shall implement pollution prevention measures to control runoff, including but not limited to controls for erosion, sediment, dewatering pollution, source, and run-on and runoff; soil stabilization, protection of riparian and wetland vegetation and habitat, preventing non-stormwater discharges, final site stabilization, and other measures appropriate to control pollutants on a dynamic and changing site.

Contractor shall implement and comply with all aspects of the Construction General Permit, including but not limited to all discharge prohibitions and limitations, effluent limitations, receiving water limitations, revising permit coverage information, preparing, implementing and updating a Storm Water Pollution Prevention Plan (SWPPP) and best management practices ("BMPs"), conducting or causing to be conducted all inspections and monitoring activities, and terminating permit coverage.

Contractor shall employ or otherwise retain a qualified SWPPP developer (QSD) and qualified SWPPP practitioner (QSP) from the beginning of the Work through the notice of termination approval. Contractor shall ensure that all persons implementing the requirements of the Construction General Permit are licensed or certified in accordance with the requirements of the Construction General Permit. Contractor shall keep itself and all subcontractors, staff, and employees fully informed of and in compliance with all local, state and federal laws, rules and

regulations that may impact, or be implicated by the performance of the Work including, without limitation, all provisions of applicable ordinances regulating discharges of storm water; the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.); the California Porter-Cologne Water Quality Control Act (Water Code § 13000 et seq.); and any and all regulations, policies, or permits issued pursuant to any such authority.

Contractor shall submit all documents required by this Article to MTS for review and approval prior to submission of the documents to any regulatory agency, including but not limited to any notice of intent, notice of termination, site maps, photos, SWPPP, monitoring reports, and annual reports. Contractor shall confirm with MTS that the appropriate post-construction design standards are implemented and shall consult MTS's Post Construction Stormwater Management Manual before finalizing any post construction stormwater measures.

In addition to compliance with the Construction General Permit, Contractor shall comply with the lawful requirements of any applicable municipality, MTS, drainage agency, and other federal, state, or local agency regarding discharges of storm water to the storm drain system or other watercourses under their jurisdiction, including applicable requirements in storm water management programs.

MTS retains the right to procure and maintain coverage under the Construction General Permit or other required permits for the Project site if the Contractor fails to obtain coverage or to proceed in a manner that is satisfactory to MTS. Whether Contractor has adequately maintained compliance with this section shall be MTS's sole determination. In the event that Contractor has failed or is unable to maintain compliance with the Construction General Permit, any costs incurred by MTS in drafting and implementing a SWPPP, or otherwise maintaining compliance with the Construction General Permit or other requirement of this section shall be paid by the Contractor.

MTS reserves the right to defend any enforcement action or civil action brought against MTS for Contractor's failure to comply with any applicable water quality law, regulation, or policy. Contractor hereby agrees to be bound by, and to reimburse MTS for the costs associated with, any settlement reached between MTS and any relevant enforcement entity.

Failure to comply with the Construction General Permit may be a violation of federal and state law. The Contractor hereby agrees to indemnify and hold harmless MTS, its Board, members of the Board, employees and authorized volunteers from and against any and all claims, demands, losses or liabilities of any kind or nature which MTS, its Board, members of the Board, employees and authorized volunteers may sustain or incur for noncompliance with the Construction General Permit arising out of or in connection with the Project, except for liability resulting from the sole negligence, willful misconduct or active negligence of MTS, its Board, members of the Board, employees or authorized volunteers. MTS may seek damages from the Contractor for delay in completing the Contract in accordance with the contract requirements herein caused by Contractor's failure to comply with the Construction General Permit, any laws, regulations, and policies described in this section, or any other relevant water quality law, regulation, or policy.

It shall be Contractor's responsibility to evaluate and include in the Contract amount the cost of complying with this section. Contractor shall include the cost to perform this Work in its Bid.

**3.22. CLEANING UP**

Contractor at all times shall keep premises free from debris such as waste, rubbish, and excess materials and equipment. Contractor shall not store debris under, in, or about the premises. Contractor shall also clean all asphalt and concrete areas to the degree necessary to remove oil, grease, fuel, or other stains caused by Contractor operations or equipment. The use of water, resulting in mud on streets, will not be permitted as substitute for sweeping or other methods. Dust control may require having a water truck onsite for the duration of the Project, and/or use of temporary hoses and pipelines to convey water.

Contractor shall fully clean up the site at the completion of the Work. If the Contractor fails to immediately clean up at the completion of the Work, MTS may do so and the cost of such clean up shall be charged back to the Contractor.

**3.23. LAYOUT AND FIELD ENGINEERING**

All field engineering required for laying out the Work and establishing grades for earthwork operations shall be furnished by the Contractor at its expense.

**3.24. EXCESSIVE NOISE**

The Contractor shall use only such equipment on the work and in such state of repair so that the emission of sound therefrom is within the noise tolerance level of that equipment as established by Cal/OSHA.

The Contractor shall comply with the most restrictive of the following: (1) local sound control and noise level rules, regulations and ordinances and (2) the requirements contained in these Contract Documents, including hours of operation requirements.

No internal combustion engine shall be operated on the Project without a muffler of the type recommended by the manufacturer. Should any muffler or other control device sustain damage or be determined to be ineffective or defective, the Contractor shall promptly remove the equipment and shall not return said equipment to the job until the device is repaired or replaced. Said noise and vibration level requirements shall apply to all equipment on the job or related to the job, including but not limited to, trucks, transit mixers or transit equipment that may or may not be owned by the Contractor.

**3.25. AIR POLLUTION CONTROL**

Contractor shall comply with all air pollution control rules, regulations, ordinances and statutes. All containers of liquids, including, but not limited to, all containers of paint, thinner, curing compound, solvent or liquid asphalt shall be labeled to indicate that the contents fully comply with the applicable material requirements.

**3.26. COMPLIANCE WITH CALIFORNIA AIR RESOURCES BOARD REGULATIONS**

Contractor shall comply, and shall ensure all subcontractors comply, with all applicable requirements of the most current version of the California Air Resources Board ("CARB") regulations including, without limitation, all applicable terms of Title 13, California Code of Regulations Division 3, Chapter 9 and all pending amendments ("Regulation").

Throughout the Project, and for three (3) years thereafter, Contractor shall make available for inspection and copying any and all documents or information associated with Contractor's and subcontractors' fleet including, without limitation, Certificates of Reported Compliance ("CRC"),

fuel/refueling records, maintenance records, emissions records, and any other information the Contractor is required to produce, keep or maintain pursuant to the Regulation upon two (2) calendar days' notice from MTS.

Contractor shall be solely liable for any and all costs associated with complying with the Regulation as well as for any and all penalties, fines, damages, or costs associated with any and all violations, or failures to comply with the Regulation. Contractor shall defend, indemnify and hold harmless MTS, its officials, officers, employees and authorized volunteers free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Regulation.

### **3.27. SANITARY FACILITIES**

Contractor shall provide sanitary temporary toilet buildings and hand washing facilities for the use of all workers. All toilets and hand washing facilities shall comply with all applicable federal, state and local laws, codes, ordinances, and regulations. Toilets shall be kept supplied with toilet paper and shall have workable door fasteners. Toilets and hand washing facilities shall be serviced no less than once weekly and shall be presented in a quantity of not less than 1 per 20 workers as required by Cal/OSHA regulations. The toilets and hand washing facilities shall be maintained in a sanitary condition at all times. Use of toilet and hand washing facilities in the Work under construction shall not be permitted. Any other Sanitary Facilities required by Cal/OSHA shall be the responsibility of the Contractor.

### **3.28. TESTS AND INSPECTIONS**

Unless otherwise required in the Contract Documents, if the Contract Documents, MTS, or any instructions, laws, ordinances, or public authority requires any part of the Work to be tested or Approved, Contractor shall provide MTS at least two (2) working days' notice of its readiness for observation or inspection. If inspection is by a public authority other than MTS, Contractor shall promptly inform MTS of the date fixed for such inspection. Required certificates of inspection (or similar) shall be secured by Contractor. Costs for MTS testing and MTS inspection shall be paid by MTS. Costs of tests for Work found not to be in compliance shall be paid by the Contractor.

If any Work is done or covered up without the required testing or approval, the Contractor shall uncover or deconstruct the Work, and the Work shall be redone after completion of the testing at the Contractor's cost in compliance with the Contract Documents.

Where inspection and testing are to be conducted by an independent laboratory or agency, materials or samples of materials to be inspected or tested shall be selected by such laboratory or agency, or by MTS, and not by Contractor. All tests or inspections of materials shall be made in accordance with the commonly recognized standards of national organizations.

In advance of manufacture of materials to be supplied by Contractor which must be tested or inspected, Contractor shall notify MTS so that MTS may arrange for testing at the source of supply. Any materials which have not satisfactorily passed such testing, and inspection shall not be incorporated into the Work.

If the manufacture of materials to be inspected or tested will occur in a plant or location outside the geographic limits of MTS, the Contractor shall pay for any excessive or unusual costs associated with such testing or inspection, including but not limited to excessive travel time, standby time and required lodging.

Reexamination of Work may be ordered by MTS. If so ordered, Work must be uncovered or deconstructed by Contractor. If Work is found to be in accordance with the Contract Documents, MTS shall pay the costs of reexamination and reconstruction. If such Work is found not to be in accordance with the Contract Documents, Contractor shall pay all costs.

### **3.29. PROTECTION OF WORK AND PROPERTY**

The Contractor shall be responsible for all damages to persons or property that occurs as a result of the Work. Contractor shall be responsible for the proper care and protection of all materials delivered and Work performed until completion and final Acceptance by MTS. All Work shall be solely at the Contractor's risk. Contractor shall adequately protect adjacent property from settlement or loss of lateral support as necessary. Contractor shall comply with all applicable safety laws and building codes to prevent accidents or injury to persons on, about, or adjacent to the Project site where Work is being performed. Contractor shall erect and properly maintain at all times, as required by field conditions and progress of work, all necessary safeguards, signs, barriers, lights, and watchmen for protection of workers and the public, and shall post danger signs warning against hazards created in the course of construction.

In an emergency affecting safety of life or of work or of adjoining property, Contractor, without special instruction or authorization from MTS, is hereby permitted to act to prevent such threatened loss or injury; and Contractor shall so act, without appeal, if so authorized or instructed by MTS. Any compensation claimed by Contractor on account of emergency work shall be determined by and agreed upon by MTS and the Contractor.

All traffic detector loops, fences, walls, culverts, survey monuments, or other obstructions (except survey monuments within the limits of the Work) which are removed, damaged, or destroyed in the course of the Work, shall be replaced or repaired to original condition and to the satisfaction of MTS, by and at the expense of the Contractor, whether or not those obstructions have been shown on the Plans, unless otherwise stated herein. Contractor shall notify MTS at least 2 Days before a survey monument within the limits of the Work will be damaged, and MTS will replace the survey monument at no expense to the Contractor. If MTS is not properly notified, Contractor shall replace the survey monument at its sole expense. It is the Contractor's responsibility to employ at its expense a licensed Land Surveyor to restore all survey monuments outside the limits of the Work, which are destroyed or obliterated.

Contractor shall provide such heat, covering, and enclosures as are necessary to protect all Work, materials, equipment, appliances, and tools against damage by weather conditions.

Contractor shall take adequate precautions to protect existing sidewalks, curbs, pavements, utilities, and other adjoining property and structures, and to avoid damage thereto, and Contractor shall repair any damage thereto caused by the Work operations.

Contractor shall:

- A. Enclose the working area with a substantial barricade and arrange work to cause minimum amount of inconvenience and danger to the public.
- B. Provide substantial barricades around any shrubs or trees indicated to be preserved.
- C. Deliver materials to the Project site over a route designated by MTS.
- D. Provide any and all dust control required and follow the Applicable air quality regulations as appropriate. If the Contractor does not comply, MTS shall have the immediate authority to provide dust control and deduct the cost from payments to the Contractor.



- E. Confine Contractor's apparatus, the storage of materials, and the operations of its workers to limits required by law, ordinances, permits, or directions of MTS. Contractor shall not unreasonably encumber the Project site with its materials.
- F. Take care to prevent disturbing or covering any survey markers, monuments, or other devices marking property boundaries or corners. If such markers are disturbed by accident, they shall be replaced by an approved civil engineer or land surveyor, at no cost to MTS.
- G. Ensure that existing facilities, fences and other structures are all adequately protected and that, upon completion of all Work, all facilities that may have been damaged are restored to a condition acceptable to MTS.
- H. Preserve and protect from injury all buildings, pole lines and all direction, warning and mileage signs that have been placed within the right-of-way.
- I. At the completion of work each day, leave the Project site in a clean, safe condition.
- J. Comply with any stage construction and traffic control plans. Access to residences and businesses shall be maintained at all times.

These precautionary measures will apply continuously and not be limited to normal working hours. Full compensation for the Work involved in the preservation of life, safety and property as above specified shall be considered as included in the prices paid for the various contract items of Work, and no additional allowance will be made therefor.

Should damage to persons or property occur as a result of the Work, Contractor shall be responsible for proper investigation, documentation, including video or photography, to adequately memorialize and make a record of what transpired. MTS shall be entitled to inspect and copy any such documentation, video, or photographs.

### **3.30. CONTRACTOR'S MEANS AND METHODS**

Contractor is solely responsible for the means and methods utilized to perform the Work. In no case shall the Contractor's means and methods deviate from commonly used industry standards.

### **3.31. LABOR**

#### **Hours of Work:**

Eight (8) hours of work shall constitute a legal day's work. Contractor and each subcontractor shall forfeit, as penalty to MTS, twenty-five dollars (\$25) for each worker employed in the execution of Work by the Contractor or any subcontractor for each day during which such worker is required or permitted to work more than eight (8) hours in any one day and forty (40) hours in any week in violation of the provisions of the Labor Code, and in particular, section 1810 to section 1815, except as provided in Labor Code section 1815. The Contractor and every subcontractor shall keep an accurate record showing the name of and actual hours worked each calendar day and each calendar week by each worker employed in connection with the Work or any part of the Work contemplated by this Contract. The record shall be kept open at all reasonable hours to the inspection of MTS and to the Division of Labor Law Enforcement, Department of Industrial Relations of the State of California.

**Prevailing Rates of Wages:**

The Contractor is aware of the requirements of Labor Code Sections 1720 et seq. and 1770 et seq., as well as California Code of Regulations, Title 8, Section 16000 et seq. ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. Since this Project involves an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and since the total compensation is \$1,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. The Contractor shall obtain a copy of the prevailing rates of per diem wages at the commencement of this Contract from the website of the Division of Labor Statistics and Research of the Department of Industrial Relations located at [www.dir.ca.gov](http://www.dir.ca.gov). In the alternative, the Contractor may view a copy of the prevailing rate of per diem wages which are on file at MTS's Administration Office and shall be made available to interested parties upon request. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification, or type of worker needed to perform work on the Project available to interested parties upon request and shall post copies at the Contractor's principal place of business and at the Project site. Contractor shall defend, indemnify and hold MTS, its Board, members of the Board, employees and authorized volunteers free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

The Contractor shall forfeit as a penalty to MTS not more than Two Hundred Dollars (\$200.00), pursuant to Labor Code Section 1775, for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rate as determined by the Director of the Department of Industrial Relations for such work or craft in which such worker is employed for any public work done under the Contract by it or by any subcontractor under it. The difference between such prevailing wage rate and the amount paid to each worker for each calendar day or portion thereof, for which each worker was paid less than the prevailing wage rate, shall be paid to each worker by the Contractor.

Contractor shall post, at appropriate conspicuous points on the Project site, a schedule showing all determined general prevailing wage rates and all authorized deductions, if any, from unpaid wages actually earned.

**Payroll Records:**

Pursuant to Labor Code Section 1776, Contractor and all subcontractors shall maintain weekly certified payroll records, showing the names, addresses, Social Security numbers, work classifications, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by them in connection with the Work under this Contract. Contractor shall certify under penalty of perjury that records maintained and submitted by Contractor are true and accurate. Contractor shall also require subcontractor(s) to certify weekly payroll records under penalty of perjury.

In accordance with Labor Code section 1771.4, the Contractor and each subcontractor shall furnish the certified payroll records directly to the Department of Industrial Relations ("DIR") on the specified interval and format prescribed by the DIR, which may include electronic submission.

Contractor shall comply with all requirements and regulations from the DIR relating to labor compliance monitoring and enforcement.

If not subject to paragraph (a), the certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement ("DLSE") of the DIR or shall contain the same information as the forms provided by the DLSE.

In the event of noncompliance with the requirements of this Section, the Contractor shall have ten (10) calendar days in which to comply subsequent to receipt of written notice specifying in what respects the Contractor must comply with this section. Should noncompliance still be evident after such 10-day period, the Contractor shall pay a penalty of one hundred dollars (\$100.00) to MTS for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, such penalties shall be withheld from progress payment then due.

### **Employment of Apprentices:**

Contractor's attention is directed to the provisions of sections 1777.5, 1777.6, and 1777.7 of the Labor Code concerning employment of apprentices by the Contractor or any subcontractor. Contractor shall obtain a certificate of apprenticeship before employing any apprentice pursuant to sections 1777.5, 1777.6, and 1777.7 of the Labor Code. Information relative to apprenticeship standards, wage schedules, and other requirements may be obtained from the Director of Industrial Relations, the Administrator of Apprenticeships, San Francisco, California, or from the Division of Apprenticeship Standards and its branch offices.

### **Nondiscrimination:**

Pursuant to Labor Code Section 1735 and other applicable provisions of law, the Contractor and its subcontractors shall not discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, or any other classifications protected by law on this Project. The Contractor will take affirmative action to ensure that employees are treated during employment or training without regard to their race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, or any other classifications protected by law.

### **Project Labor Agreement (PLA) Requirements:**

The Contractor and all subcontractors agree to be bound by the PLA (see Attachment). As a condition of contract award, the Contractor shall submit its Letter of Assent to MTS's Project Labor Coordinator and all subcontractors shall submit their Letter of Assent before commencing any Work on the Project.

MTS reserves the right to reject as nonresponsive a Bid that is not accompanied by a completed Commitment to Comply with PLA Requirements Form attached to this IFB at the time of bid submittal.

### **Labor Certification:**

I am aware of the provisions of section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this Contract code.

## **3.32. INSURANCE**

Contractor will include the contract number on all insurance-related correspondence, i.e., the insurance certificate itself.

All policies required shall be issued by companies who are licensed or approved to do business in the State of California and hold a current policyholder's alphabetic and financial-size category rating of not less than A VII, in accordance with A.M. Best.

MTS utilizes the services of a third-party insurance monitoring company. As a condition of contract award, Contractor shall submit any required insurance policies to the third-party monitoring company of MTS' choosing.

#### A. COVERAGE REQUIRED - ALL CONTRACTS (LIABILITY)

- i. Commercial General Liability At all times during this contract and, with respect to Products and Completed Operations Liability, **for five (5) years following the acceptance of the work by MTS**, Contractor agrees to maintain Commercial General Liability Insurance utilizing Insurance Services Office (ISO) coverage form CG0001, edition date 10/01 or later, or an equivalent form and with insurance companies acceptable to MTS. The coverage shall contain no restricting or exclusionary endorsements with respect to the performance of services described in the scope of work.

All such policies shall name in the endorsement San Diego Metropolitan Transit System (MTS), San Diego Trolley, Inc. (SDTI), San Diego and Arizona Eastern Railway (SD&AE), San Diego and Imperial Valley Railroad (SD&IV), and San Diego Transit Corporation (SDTC), their directors, officers, agents, and employees as additional insureds as their interests may appear. Furthermore, an endorsement will be required demonstrating that the standard railroad exclusionary language has been removed as applicable.

- ii. Automobile Liability at all times during this contract, Contractor agrees to maintain Automobile Liability Insurance for bodily injury and property damage, covering Code 1 (any auto).
- iii. Workers' Compensation/Employer Liability At all times during this contract, Contractor agrees to maintain Workers' Compensation and Employers' Liability Insurance, including Occupational Disease, in compliance with the applicable statutory requirements. Contractor waives any rights of subrogation against MTS, SDTI, SD&AE, SD&IV, and SDTC, and the policy form must permit and accept such waiver.

#### B. ADDITIONAL COVERAGES REQUIRED (AS INDICATED). WHERE THERE IS A CHECKMARK ☒, THE COVERAGE IS REQUIRED)

- i. ☒ Primary and Non-Contributory Insurance

Contractor agrees that all general liability coverages required under this insurance section are PRIMARY and that any insurance of MTS, SDTI, SD&AE, SD&IV, and SDTC shall be excess and noncontributory (endorsement required).

- ii. ☒ Umbrella or Excess Liability (if required to meet liability limits below)

Contractor agrees that any Umbrella or Excess Liability Policy utilized to provide the required limits of liability shall contain coverage at least as broad as that provided by the

General Liability Policy, and be written for a term concurrent with the General Liability Policy.

iii. ☐ Owner-Provided Builder's Risk

MTS will provide Builder's Risk Insurance on a special form basis, excluding the perils of earthquake and flood, at a limit of not less than the full replacement value of the work and covering the work and all materials and equipment to be incorporated therein, including property in transit elsewhere, and insuring the interests of the Contractor, subcontractors, materialmen, and MTS, SDTI, SD&AE, SD&IV, SDTC, MTS's contractor for design, and MTS's contractor for construction management. However, Contractor is responsible for the portion of any loss that is within the deductible amount of this Builder's Risk Insurance, which is currently at \$50,000 but is subject to change.

iv. ☒ Railroad Protective Liability and CG 24 17 or Endorsement for CGL Policy

The CGL policy must contain the following endorsement: Contractual Liability Railroads ISO Form CG 24 17 10 01 (or a substitute form providing equivalent coverage). Furthermore, Contractor shall maintain a Railroad Protective Liability coverage with limits shown below, and name MTS as the named insured on the policy.

v. ☐ Professional Liability

At all times during this contract, **and for five (5) years following acceptance of work by owner**, Contractor agrees to maintain Professional Liability Insurance with respect to services or operations under this Agreement.

vi. ☒ Pollution Legal Liability

At all times during this contract, and for twenty-four (24) months following, Contractor agrees to maintain Pollution Legal Liability Insurance with respect to services or operations under this Agreement. The extended discovery period must be no less than twenty-four (24) months.

vii. ☐ Contractor Equipment

At all times during this contract, Contractor agrees to maintain Contractor's Equipment Insurance on a special form basis covering equipment owned, leased, or used by Contractor. Contractor waives any rights of subrogation against MTS, SDTI, SD&AE, SD&IV, and SDTC, and the policy form must permit and accept such waiver. Contractor hereby releases and holds harmless MTS for any loss or damage to its equipment.

viii. ☐ Installation Floater

At all times during this contract, Contractor agrees to maintain Installation Floater Insurance on a special form basis covering property owned or provided by Contractor. Contractor waives any rights of subrogation against MTS, SDTI, SD&AE, SD&IV, and SDTC, and the policy form must permit and accept such waiver. Contractor hereby releases and holds harmless these entities for any loss or damage to its property.

ix. ☐ Garage Keeper's Legal Liability & Automobile Portion

At all times during this contract, Contractor agrees to maintain Garage Keeper's Legal Liability as well Automobile Portion, which covers the risk of loss or damage to MTS vehicles while in the care, custody or control of Contractor. Automobile portion shall cover the Contractor in the event of a vehicle accident while they are driving an MTS vehicle, which results in a third party claim of physical damage or bodily injury.

x. ☐ Crime Fidelity Insurance

At all times during this contract, Contractor agrees to maintain Crime Fidelity Insurance with respect to services or operations under this agreement. The coverage should include the following:

- Employee dishonesty/theft
- Theft, disappearance and destruction on the premises
- Theft, disappearance and destruction while in transit
- Forgery/alteration

xi. ☐ Property Insurance

Contractor is responsible to insure physical damage coverage at replacement cost value on the rolling stock (i.e., revenue and non-revenue vehicles) it operates. (Note: MTS insures the buildings in which the fixed route contract operates.)

xii. ☐ Cyber and Privacy Liability, including Technology Errors and Omissions

Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Contractor in this agreement and shall include, but not be limited to, claims involving security breach, system failure, data recovery, business interruption, cyber extortion, social engineering, infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, and alteration of electronic information. The policy shall provide coverage for breach response costs, regulatory fines and penalties as well as credit monitoring expenses. Coverage shall also include Technology Professional Liability Errors & Omissions appropriate to the Consultant's profession and work hereunder.

xiii. ☐ Financial Institution Bond / Electronic and Computer Crime

At all times through the period of performance of this Agreement, Contractor agrees to maintain Financial Institution Bond / Electronic & Computer Crime Insurance with respect to services and/or operations under this Agreement. The coverage shall include, at minimum, the following:

- Employee dishonesty / theft
- Theft, disappearance and destruction on the premises
- Theft, disappearance and destruction on / while in transit
- Forgery / Alteration

C. MINIMUM POLICY LIMITS REQUIRED

i. All Contracts (Liability)

|                                                   | Limit                                                                                                                    |
|---------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Commercial General Liability (Per Occurrence)     | \$5,000,000                                                                                                              |
| (General Aggregate)                               | \$10,000,000                                                                                                             |
| (Completed Operations & Products Aggregate)       | \$5,000,000                                                                                                              |
| Automobile Liability: Combined Single Limit (CSL) | \$5,000,000                                                                                                              |
| Worker's Compensation                             | Statutory Limits, with Employer's Liability Limits of no less than \$1,000,000 per accident for bodily injury or disease |

ii. Additional Coverages (as indicated under Additional Coverages Required Section):

|                                     |       |                                                                           |                  |
|-------------------------------------|-------|---------------------------------------------------------------------------|------------------|
| <input checked="" type="checkbox"/> | i.    | Primary and Non-Contributory Insurance                                    | Primary          |
| <input checked="" type="checkbox"/> | ii.   | Umbrella or Excess Liability (If Required To Meet Liability Limits Above) | \$               |
| <input type="checkbox"/>            | iii.  | Owner-Provided Builder's Risk                                             | Replacement Cost |
| <input checked="" type="checkbox"/> | iv.   | Railroad Protective (Per Occurrence)                                      | \$5,000,000      |
|                                     |       | Railroad Protective (General Aggregate)                                   | \$10,000,000     |
| <input type="checkbox"/>            | v.    | Professional Liability                                                    | \$               |
| <input checked="" type="checkbox"/> | vi.   | Pollution Liability                                                       | \$2,000,000      |
| <input type="checkbox"/>            | vii.  | Contractor Equipment                                                      | Replacement Cost |
| <input type="checkbox"/>            | viii. | Installation Floater                                                      | Replacement Cost |
| <input type="checkbox"/>            | ix.   | Garage Keeper's Legal Liability & Automobile Portion (CSL)                | Per Occurrence   |
| <input type="checkbox"/>            | x.    | Crime Fidelity Insurance                                                  | \$               |
| <input type="checkbox"/>            | xi.   | Property Insurance                                                        | \$               |
| <input type="checkbox"/>            | xii.  | Cyber Security Liability Insurance (Per Occurrence Or Claim)              | \$               |
|                                     |       | (Aggregate)                                                               | \$               |
| <input type="checkbox"/>            | xiii. | Financial Institution Bond/Electronic and Computer Crime                  | \$               |

**D. NOTICE OF POLICY CHANGES**

Contractor shall not amend or cancel the insurance policy and coverage required by this Agreement without providing MTS with at least thirty (30) days prior written notice. Contractor shall notify MTS within ten (10) days of insurer-initiated material amendments or cancellations to the insurance coverage required by this Agreement. Under no circumstances shall these notice provisions be deemed a waiver of the insurance requirements set for herein. Any material changes in or cancellation of the insurance policy on file with MTS pursuant to this Section will result in an immediate stop work order until proof of substitute coverage meeting the requirements of this Agreement is provided to MTS. In the alternative, in MTS' sole discretion, MTS retains the right to declare Contractor in default and immediately terminate this Agreement if the insurance coverage required by this Section is cancelled, otherwise lapses or fails to meet the coverage limits at any time, and for any duration, during the term of this Agreement.

**E. EVIDENCE REQUIRED**

Within ten (10) working days following receipt of notice that a contract has been awarded, Contractor shall have provided the MTS Contracts Specialist with satisfactory certification by a qualified representative of the Insurer(s) that Contractor's insurance complies with all provisions in this insurance section.

**F. SPECIAL PROVISIONS**

The foregoing requirements as to the types and limits of insurance coverage to be maintained by Contractor, and any approval of said insurance by MTS, SDTI, SD&AE, SD&IV, and SDTC, or their insurance Contractor(s) are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Contractor pursuant to this Agreement, including but not limited to the provisions concerning indemnification.

MTS reserves the right to withhold payments to Contractor in the event of material noncompliance with the insurance requirements outlined above.

**3.33. TIME FOR COMPLETION AND LIQUIDATED DAMAGES**

The Contract duration shall commence on the date specified in MTS's Notice to Proceed and shall be completed by Contractor in the time specified in the Contract Documents. MTS is under no obligation to consider early completion of the Project; and the Contract completion date shall not be amended by MTS's receipt or acceptance of the Contractor's proposed earlier completion date. Furthermore, Contractor shall not, under any circumstances, receive additional compensation from MTS (including but not limited to indirect, general, administrative or other forms of overhead costs) for the period between the time of earlier completion proposed by the Contractor and the Contract completion date. If the Work is not completed as stated in the Contract Documents, it is understood that MTS will suffer damage. As it is impractical and infeasible to determine the amount of actual damage, it is agreed that Contractor shall pay to MTS as fixed and liquidated damages, and not as a penalty, the sum stipulated in the Contract for each calendar day of delay until the Work is fully completed. Contractor and its surety shall be liable for any liquidated damages. Any money due or to become due the Contractor may be retained to cover liquidated damages.

**Inclement Weather:**



Contractor shall abide by MTS's determination of what constitutes inclement weather. Time extensions for inclement weather shall only be granted when the Work stopped during inclement weather is on the critical path of the Project schedule.

**Extension of Time:**

Contractor shall not be charged liquidated damages because of any delays in completion of the Work due to unforeseeable causes beyond the control and without the fault or negligence of Contractor (or its subcontractors or suppliers). Contractor shall within five (5) calendar days of identifying any such delay notify MTS in writing of causes of delay. MTS shall ascertain the facts and extent of delay and grant extension of time for completing the Work when, in its judgment, the facts justify such an extension. Time extensions to the Project shall be requested by the Contractor as they occur and without delay. No delay claims shall be permitted unless the event or occurrence delays the completion of the Project beyond the Contract completion date.

**No Damages for Reasonable Delay:**

MTS's liability to Contractor for delays for which MTS is responsible shall be limited to only an extension of time unless such delays were unreasonable under the circumstances. In no case shall MTS be liable for any costs which are borne by the Contractor in the regular course of business, including, but not limited to, home office overhead and other ongoing costs. Damages caused by unreasonable MTS delay shall be based on actual costs only, no proportions or formulas shall be used to calculate any delay damages.

**3.34. PAYMENT**

**Cost Breakdown:**

Contractor shall furnish a detailed Schedule of Values giving an itemized breakdown of the Contract Price within fourteen (14) calendar Days of award of the Contract. The Schedule of Values shall be adjusted as directed by MTS.

**Mobilization/ Demobilization:**

When a bid item is included in the Bid Schedule for mobilization, the costs of Work in advance of construction operations and not directly attributable to any specific bid item will be included in the progress estimate ("Initial Mobilization"). The Initial Mobilization bid item shall be limited to **ten (10%) percent** of the Bid Price. When no bid item is provided for "Initial Mobilization," payment for such costs will be deemed to be included in the other items of the Work.

Payment for Initial Mobilization based on the lump sum provided in the Bid shall constitute full compensation for all such Work. No payment for Initial Mobilization will be made until all of the listed items have been completed to the satisfaction of MTS.

The scope of the Work included under Initial Mobilization shall include, but shall not be limited to, the following principal items:

- A. Obtaining and paying for all bonds, insurance, and permits.
- B. Moving on to the Project site of all Contractor's plant and equipment required for the first month's operations.
- C. Installing temporary construction power, wiring, and lighting facilities, as applicable.
- D. Establishing fire protection system, as applicable.

- E. Developing and installing a construction water supply, if applicable.
- F. Providing and maintaining the field office trailers for the Contractor, if necessary, and MTS (if specified), complete, with all specified furnishings and utility services including telephones, telephone appurtenances, computer and printer, fax machine, and copying machine.
- G. Providing on-site sanitary facilities and potable water facilities as specified per Cal-OSHA and these Contract Documents.
- H. Furnishing, installing, and maintaining all storage buildings or sheds required for temporary storage of products, equipment, or materials that have not yet been installed in the Work. All such storage shall meet manufacturer's specified storage requirements, and the specific provisions of the specifications, including temperature and humidity control, if recommended by the manufacturer, and for all security.
- I. Arranging for and erection of Contractor's work and storage yard.
- J. Posting all OSHA required notices and establishment of safety programs per Cal-OSHA.
- K. Submittal of Construction Schedule as required by the Contract Documents.

Demobilization shall include the complete dismantling and removal by the Contractor of all of the Contractor's temporary facilities, equipment, and personnel at the Site.

**Progress Estimates, Payment, And Withholding:**

Contractor shall submit to MTS, on forms approved by MTS, a payment request which shall include a monthly itemized estimate of Work done for the purpose of making progress payments. Contractor's payment request shall set forth in detail the Schedule of Values for the period beginning with the date Work was first commenced and ending on the end of the calendar month for which the payment request is prepared. Contractor shall include any amount earned for executed Change Orders. In order for MTS to consider and evaluate each progress payment request, Contractor shall submit each payment request no later than the 25th day of each calendar month. Failure to do so may result in a delay of payment.

From the total thus computed, a deduction shall be made in the amount of five percent (5%) for retention, except where MTS has adopted a finding that the Work done under the Contract is substantially complex, and then the amount withheld as retention shall be the percentage specified in the IFB. From the remainder a further deduction may be made in accordance with the items below. The amount computed, less the amount withheld for retention and any amounts withheld as set forth below, shall be the amount of the Contractor's payment request.

MTS may withhold a sufficient amount or amounts of any payment or payments otherwise due to Contractor, as in its judgment may be necessary to cover:

- A. Payments which may be past due and payable for claims against Contractor or any subcontractors for labor or materials furnished in and about the performance of work on the Project under this Contract.
- B. Defective work not remedied.
- C. Completion of the Contract if there is a reasonable doubt that the Work can be completed for balance then unpaid.

- D. Damage to another contractor or a third party.
- E. Amounts which may be due MTS for claims against Contractor.
- F. Failure of Contractor to keep the record ("as-built") drawings up to date.
- G. Failure to provide update on construction schedule as required herein.
- H. Site cleanup.
- I. Failure to comply with Contract Documents.
- J. Liquidated damages.
- K. Legally permitted penalties.
- L. Anything required by law to be withheld.

MTS may apply such withheld amount or amounts to payment of such claims or obligations at its discretion, or as required by law.

Contractor shall submit, with each of its payment requests, an adjusted list of actual quantities, verified by MTS, for unit price items listed, if any, in the Bid Form. Contractor shall certify under penalty of perjury that all cost breakdowns and periodic estimates accurately reflect the Work on the Project.

MTS shall have the right to adjust any estimate of quantity and to subsequently correct any error made in any estimate for payment.

Upon receipt, MTS shall review the payment request to determine whether it is undisputed and suitable for payment. If the payment request is determined to be unsuitable for payment, it shall be returned to Contractor as soon as practicable, accompanied by a document setting forth in writing the reasons why the payment request is not proper. MTS shall promptly process the progress payment after the receipt of an undisputed and properly submitted payment request from Contractor.

#### **Prompt Progress Payments and Retention:**

- A. Prompt Progress Payment.** Contractor shall pay each subcontractor participating on the contract for satisfactory completion of accepted work no later than seven (7) calendar days from the receipt of each progress payment the Contractor receives from MTS in accordance with Section 7108.5 of California Business and Professions Code. Any subcontractor will also be required to pay any lower-tier subcontractors for satisfactory completion of accepted work no later than seven (7) calendar days from the receipt of each progress payment from the prime contractor. Any delay or postponement of payment over 30 calendar days may occur only for good cause following written approval of MTS. This clause applies to both DBE and non-DBE subcontractors.
- B. Retention.** MTS shall hold retainage of 5% from the Contractor for any public works contract over \$5,000. MTS shall make prompt and regular incremental acceptances of portions of contract work as determined by MTS and retain 5% of the contract price until final completion and acceptance of performance. Contractor shall make prompt and full payment of any retainage owed to subcontractors for satisfactory completion of the subcontractors work within seven (7) calendar days of receiving retention proceeds from MTS in accordance with Sections 7107 and 7201 of Public Contract Code. Subcontractors will also be required to

make prompt and full payment of any retainage owed to any lower-tier subcontractors, for satisfactory completion of lower-tier subcontractors work, no later than seven (7) calendar days from receiving retention proceeds from the prime contractor. Any delay or postponement of payment over 30 calendar days may occur only for good cause following written approval of MTS. This clause applies to both DBE and non-DBE subcontractors.

- C. Monitoring.** If subcontractors, Contractor must submit a completed MTS Prompt Payment Certification Form to MTS with each invoice, within one (1) month following final acceptance of contract work, and as requested by MTS. The MTS Prompt Payment Certification Form may be downloaded at [www.sdmts.com/business-center/procurement](http://www.sdmts.com/business-center/procurement).
- D. Record Retention:** Contractor and Subcontractors must maintain records of payments to DBE and non-DBE subcontractors for a minimum of three (3) years.
- E. Penalties for Noncompliance.** Failure of Contractor or subcontractor to comply with this provision will constitute noncompliance, which may result in the application of legal and contract remedies, including, but not limited to, Contractor will not be reimbursed for work performed by subcontractors unless and until the Contractor ensures that the subcontractors are promptly paid for the work they have performed, contract termination and/or other remedies as deemed appropriate by MTS. In addition, any violation of Section 7108.5 of California Business and Professions Code or Sections 7107 and 7201 of California Public Contract Code may subject Contractor or subcontractor to the penalties, sanctions, and other remedies of those Sections. This requirement shall not be construed to limit or impair any contractual, administrative or judicial remedies otherwise available to the Contractor or Subcontractor in the event of a dispute involving late or nonpayment by the Contractor, deficient Subcontractor performance, or noncompliance by a Subcontractor.
- F. Subcontracts.** Contractor must include this clause in its subcontracts and lower-tier subcontracts related to the performance of this Agreement.

#### **Invoices:**

Invoices must be sent to the MTS Accounting Department, via email, at [ap@sdmts.com](mailto:ap@sdmts.com). All invoices must have the Purchase Order and contract number clearly displayed to ensure timely payment. MTS will not pay on packing slips, receiving documents, delivery documents, or other similar documents. Invoices must be submitted for payment.

Payment terms shall be net 30 days from invoice date. If MTS rejects an incorrectly submitted invoice and sends it back for correction, the net 30 days restart from the corrected invoice date.

Contractors must also indicate if any of the invoiced amount(s) is for service or work provided by a subcontractor and indicate the amount that will be paid to the subcontractor. Contractors must also comply with the prompt payment requirements in the Prompt Progress Payments section of the Standard Conditions.

### **3.35. CHANGES AND EXTRA WORK PAYMENT**

#### **A. Contract Change Orders:**

MTS, without invalidating the Contract, may order changes in the Work consisting of additions, deletions or other revisions, and the Contract price and Contract duration shall be adjusted accordingly. Except as otherwise provided herein, all such changes in the

Work shall be authorized by Change Order and shall be performed under the applicable conditions of the Contract Documents. Change Orders shall be issued in the form set forth in this IFB. A Change Order signed by the Contractor indicates the Contractor's agreement therewith, including any adjustment in the Contract price or the Contract duration, and the full and final settlement of all costs (direct, indirect and overhead) related to the Work authorized by the Change Order.

Contractor shall promptly execute changes in the Work as directed in writing by MTS even when the parties have not reached agreement on whether the change increases the scope of Work or affects the Contract price or Contract duration. No dispute, disagreement, or failure of the parties to reach agreement on the terms of the change order shall relieve the Contractor from the obligation to proceed with performance of the Work, including Additional Work, promptly and expeditiously. All claims for additional compensation to the Contractor shall be presented in writing. No claim will be considered after the Work in question has been done unless a written Change Order has been issued or a timely written notice of claim has been made by Contractor.

Whenever any change is made as provided for herein, such change shall be considered and treated as though originally included in the Contract, and shall be subject to all terms, conditions, and provisions of the original Contract.

Contractor shall not reserve a right to assert impact costs, extended job site costs, extended overhead (direct or indirect), constructive acceleration and/or actual acceleration beyond what is stated in the Change Order. No claims shall be allowed for impact, extended overhead costs, constructive acceleration and/or actual acceleration due to a multiplicity of changes and/or clarifications. The Contractor may not change or modify MTS's Change Order form in an attempt to reserve additional rights.

No changes in the work covered by this Agreement shall exonerate any surety or any bond given in connection with this Agreement.

**B. Process for Determining Adjustments in Contract Price:**

**i. Owner Initiated Change:**

When MTS desires a change in the Work, MTS may issue request for proposal to Contractor. The Contractor must submit a complete cost proposal, including any change in the Contract Price or Contract Time, within seven (7) calendar days after receipt of a request for proposal initiated by MTS. A longer response time may be allowed as indicated by MTS.

**ii. Contractor Initiated Change:**

The Contractor must give written notice of a proposed change order required for compliance with the Contract Documents within seven (7) calendar days of discovery of the facts giving rise to the proposed change order.

**iii. Requirements for Change Order Proposal:**

Contractor shall include material, labor, and equipment separately priced for each element of Work. Proposals must be accompanied by sufficiently detailed supporting backup documentation to permit verification by MTS, including but not limited to estimates and quotations from the Contractor, its subcontractors or material suppliers. Allowable Overhead and Profit may be added to the total of

these costs if allowed by the Contract Documents and must be shown as separate lines.

**Note: As general guidance, all change order documentation shall be tabulated into a detailed spreadsheet which must be submitted with the change order proposal to MTS. MTS will provide Contractor with the Change Order spreadsheet template.**

**The spreadsheet must identify the type of change order (unit price, lumpsum or time and materials), identify labor costs, materials, equipment, overhead and/or profit, and any other costs. Failure to submit the required documents may result in change order processing delays.**

- a) Unit Price Method: Where the Additional Work involved is covered or is of the same character as the original Contract, Unit Price Work by application of those unit prices to the quantities of the items involved;
- b) Lump Sum Method: By mutual acceptance of a lump sum price negotiated on the basis of the Contractor's itemized estimate of the anticipated costs of the Additional Work.
- c) Time and Materials Method: MTS may direct Contractor to proceed with the Additional Work with payments to be made on the basis of the actual cost of the labor and materials required to complete the Additional Work.

If the Contractor fails to submit a complete cost proposal within the seven (7) calendar day period (or as requested), MTS has the right to order the Contractor in writing to commence the Work immediately on a time and materials basis and/or issue a lump sum change to the Contract price and/or Contract duration in accordance with MTS's estimate. If the change is issued based on MTS's estimate, the Contractor will waive its right to dispute the action unless within fifteen (15) calendar days following completion of the added/deleted work, the Contractor presents written proof that MTS's estimate was in error.

## **C. Types of Change Orders:**

### **i. Unit Price Change Orders:**

When the actual quantity of a Unit Price item varies from the Bid Form, compensation for the change in quantity will be calculated by multiplying the actual quantity by the Unit Price. This calculation may result in either an additive or deductive Final Change Order pursuant to the Contract Documents.

No Mark up for Overhead and Profit. Because the Contract Unit Prices provided in the Bid Schedule include Overhead and Profit as determined by Contractor at the time of Bid submission, no markup or deduction for Overhead and Profit will be included in Unit Price Change Orders.

Bid items included on the Bid Schedule may be deducted from the Work in their entirety without any negotiated extra costs.

Contractor acknowledges that unit quantities are estimates and agrees that the estimated unit quantities listed on the Bid Schedule will be adjusted to reflect the actual quantities which may result in an adjustment to the Contract Unit Prices.

Such an adjustment will be made by execution of an additive or deductive Change Order. Upon notification, Contractor's failure to respond within seven (7) calendar days will result in MTS's issuance of a unit quantity adjustment to the Contract Unit Prices and/or Contract duration in accordance with the Contract Documents.

**ii. Lump Sum Change Orders:**

Compensation for Lump Sum Change Orders shall be limited to expenditures necessitated specifically by the Additional Work, and shall be segregated as follows:

- a) Labor: The costs of labor will be the actual cost for wages prevailing locally for each craft or type of worker at the time the Additional Work is done, plus employer payments of payroll taxes and insurance, health and welfare, pension, vacation, apprenticeship funds, and other direct costs resulting from Federal, State or local laws, as well as assessment or benefits required by lawful collective bargaining agreements. The use of a labor classification which would increase the Additional Work cost will not be permitted unless the Contractor establishes the necessity for such new classifications. Labor costs for equipment operators and helpers shall be reported only when such costs are not included in the invoice for equipment rental.
- b) Materials: The cost of materials reported shall be at invoice or lowest current price at which such materials are locally available in the quantities involved, plus sales tax, freight, and delivery. Materials costs shall be based upon supplier or manufacturer's invoice. If invoices or other satisfactory evidence of cost are not furnished within fifteen (15) calendar days of delivery, then MTS shall determine the materials cost, at its sole discretion.
- c) Tool and Equipment Use: Costs for the use of small tools, which are tools that have a replacement value of \$1,000 or less, shall be considered included in the Overhead and Profit mark-ups established below. Regardless of ownership, the rates to be used in determining equipment use costs shall not exceed listed rates prevailing locally at equipment rental agencies, or distributors, at the time the Work is performed.

**iii. Time and Materials Change Orders:**

- a) The term Time and Materials means the sum of all costs reasonably and necessarily incurred and paid by Contractor for labor, materials, and equipment in the proper performance of Additional Work. Except as otherwise may be agreed to in writing by MTS, such costs shall be in amounts no higher than those prevailing in the locality of the Project and shall include only the following items.
- b) Contractor must submit timesheets, materials invoices, records of equipment hours, and records of rental equipment hours to MTS for an approval signature each day Additional Work is performed. Failure to get MTS's approval signature each Day shall result in a waiver of Contractor's right to claim these costs. MTS's signature on time sheets only serves as

verification that the Work was performed and is not indicative of MTS's agreement to Contractor's entitlement to the cost.

- c) All documentation of incurred costs ("T&M Daily Summary Sheets") shall be submitted by Contractor within three (3) working days of incurring the cost for labor, material, equipment, and special services as Additional Work is performed. Contractor's actual costs shall be presented in a summary table in an electronic spreadsheet file by labor, material, equipment, and special services. Each T&M Daily Summary Sheet shall include Contractor's actual costs incurred for the Additional Work performed that day and a cumulative total of Contractor's actual costs incurred for the Additional Work. Contractor's failure to provide a T&M Daily Summary Sheet showing a total cost summary between three (3) and five (5) working days of performance of the Work will result in the Contractor's otherwise allowable overhead and profit being reduced by 50% for that portion of Additional Work which was not documented in a timely manner. Contractor's failure to submit the T&M Daily Summary Sheet within five (5) working days of performance of the Work will result in a total waiver of Contractor's right to claim these costs.

d) Labor:

The Contractor will be paid the cost of labor for the workers used in the actual and direct performance of the Work. The cost of labor will be the sum of the actual wages paid (which shall include any employer payments to or on behalf of the workers for health and welfare, pension, vacation, and similar purposes) substantiated by timesheets and certified payroll for wages prevailing for each craft or type of workers performing the Additional Work at the time the Additional Work is done, and the labor surcharge set forth in the Department of Transportation publication entitled Labor Surcharge and Equipment Rental Rates, which is in effect on the date upon which the Contract was executed. The labor surcharge shall constitute full compensation for all payments imposed by Federal, State, or local laws and for all other payments made to, or on behalf of, the workers, other than actual wages.

- i. Equipment Operator Exception: Labor costs for equipment operators and helpers shall be paid only when such costs are not included in the invoice for equipment rental.
- ii. Foreman Exception: The labor costs for foremen shall be proportioned to all of their assigned work and only that applicable to the Additional Work shall be paid. Indirect labor costs, including, without limitation, the superintendent, project manager, and other labor identified in the Contract Documents will be considered Overhead.

e) Materials:

The cost of materials reported shall be itemized at invoice or lowest current price at which materials are locally available and delivered to the Site in the quantities involved, plus the cost of sales tax, freight, delivery, and storage.



Trade discounts available to the purchaser shall be credited to MTS notwithstanding the fact that such discounts may not have been taken by Contractor.

For materials secured by other than a direct purchase and direct billing to the purchaser, the cost shall be deemed to be the price paid to the actual supplier as determined by MTS.

Payment for materials from sources owned wholly or in part by the Contractor shall not exceed the price paid by the Contractor for similar materials from said sources on Additional Work items or the current wholesale price for such materials delivered to the Site, whichever price is lower.

If, in the opinion of MTS, the cost of materials is excessive, or Contractor does not furnish satisfactory evidence of the cost of such materials, then the cost shall be deemed to be the lowest current wholesale price for the total quantity concerned delivered to the Site less trade discounts.

MTS reserves the right to furnish materials for the Additional Work, and no Claim shall be allowed by Contractor for costs of such materials or Indirect Costs or profit on MTS furnished materials.

f) Equipment:

Contractor will be paid for the use of equipment at the rental rates listed for that equipment in the California Department of Transportation publication entitled Labor Surcharge and Equipment Rental Rates, which is in effect on the date upon which the Contract was executed. Such rental rate will be used to compute payments for equipment whether the equipment is under Contractor's control through direct Ownership, leasing, renting, or another method of acquisition. The rental rate to be applied for use of each item of equipment shall be the rate resulting in the least total cost to MTS for the total period of use. If it is deemed necessary by Contractor to use equipment not listed in the publication, an equitable rental rate for the equipment will be established by MTS. Contractor may furnish cost data which might assist MTS in the establishment of the rental rate.

i. Rental Equipment

Rental Time: The rental time to be paid for equipment on the Site shall be the time the equipment is in productive operation on the Additional Work being performed and, in addition, shall include the time required to move the equipment to the location of the Additional Work and return it to the original location or to another location requiring no more time than that required to return it to its original location; except that moving time will not be paid if the equipment is used on other than the Additional Work, even though located at the site of the Additional Work.

Rental Time Not Allowed: Rental time will not be allowed while equipment is inoperative due to breakdowns.

Computation Method: The following shall be used in computing the rental time of equipment on the Site.

When hourly rates are paid, any part of an hour less than 30 minutes of operation shall be considered to be 1/2-hour of operation, and any part of an hour in excess of 30 minutes will be considered one hour of operation.

When daily rates are paid, any part of a day less than 4 hours operation shall be considered to be 1/2-day of operation, and any part of an hour in excess of 4 hours will be considered one day of operation.

ii. Contractor-Owned Equipment

For Contractor-owned equipment, the allowed equipment rental rate will be limited to the monthly equipment rental rate using a utilization rate of 173 hours per month.

For Contractor-owned equipment, the rental time to be paid for equipment on the Site shall be the time the equipment is in productive operation, unless, in the instance of standby time, the equipment could be actively used by Contractor on another project, then MTS shall pay for the entirety of the time the equipment is on Site. It shall be Contractor's burden to demonstrate to MTS that the equipment could be actively used on another project.

All equipment shall, in the opinion of MTS, be in good working condition and suitable for the purpose for which the equipment is to be used.

g) Special Services: Special work or services are defined as that Additional Work characterized by extraordinary complexity, sophistication, or innovation or a combination of the foregoing attributes which are unique to the construction industry.

i. Invoices for Special Services: When MTS and Contractor determine that a special service is required which cannot be performed by the forces of Contractor or those of any of its Subcontractors, the special service may be performed by an entity especially skilled in the Additional Work. Invoices for special services based upon the current fair market value thereof may be accepted without complete itemization of labor, material, and equipment rental costs, after validation of market values by MTS.

ii. Discount and Allowance: All invoices for special services will be adjusted by deducting all trade discounts offered or available, whether the discounts were taken or not. In lieu of Overhead and Profit as specified elsewhere in the Contract Documents, a total allowance not to exceed five percent (5%) for Overhead and Profit will be added to invoices for Special Services.

- h) Excluded Costs: The Term Time and Material shall not include any of the following costs or any other home or field office overhead costs, all of which are to be considered administrative costs covered by Contractor's allowance for Overhead and Profit.
- i. Overhead Cost: Payroll costs and other compensation of Contractor's officers, executives, principals, general managers, engineers, architects, estimators, attorneys, auditors, accountants, purchasing and contracting agents, timekeepers, clerks, and other personnel employed by Contractor whether at the Site or in Contractor's principal office or any branch office, material yard, or shop for general administration of the Additional Work;
  - ii. Office Expenses: Expenses of Contractor's principal and branch offices;
  - iii. Capital Expenses: Any part of Contractor's capital expenses, including interest on Contractor's capital employed for the Additional Work and charges against Contractor for delinquent payments;
  - iv. Negligence: Costs due to the negligence of Contractor or any Subcontractor or Supplier, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, including without limitation the correction of Defective Work, disposal of materials or equipment wrongly supplied, and making good any damage to property;
  - v. Other: Other overhead or general expense costs of any kind and the cost of any item not specifically and expressly included in the Contract Documents;
  - vi. Small Tools: Cost of small tools valued at less than \$1,000 and that remain the property of Contractor;
  - vii. Administrative Costs: Costs associated with the preparation of Change Orders (whether or not ultimately authorized), cost estimates, or the preparation or filing of Claims;
  - viii. Anticipated Lost Profits: Expenses of Contractor associated with anticipated lost profits or lost revenues, lost income or earnings, lost interest on earnings, or unpaid retention;
  - ix. Home Office Overhead: Costs derived from the computation of a "home office overhead" rate by application of the Eichleay, Allegheny, burden fluctuation, or other similar methods;
  - x. Special Consultants and Attorneys: Costs of special consultants or attorneys, whether or not in the direct employ of Contractor, employed for services specifically related to the resolution of a Claim, dispute, or other matter arising out of or relating to the performance of the Additional Work.

#### **D. Calculation of Overhead and Profit**

In accordance with the Profit Calculation Matrix sample attached in General Conditions Referenced Forms. The mark-up for overhead (including supervision) and profit on work added to the Contract shall be according to the following:

- i. "Net Cost" is defined as consisting of costs of labor, materials, and tools and equipment only excluding overhead and profit. The costs of applicable insurance and bond premium will be reimbursed to the Contractor and subcontractors at cost only, without mark-up and in no case shall the total costs exceed one and one-half percent (1.5%) of Net Cost. Contractor shall provide MTS with documentation of the costs, including, but not limited to, payroll records, invoices, and such other information as MTS may reasonably request.
- ii. For Work performed by the Contractor's forces, the added cost for overhead and profit shall not exceed fifteen percent (15%) of the Net Cost of the Work.
- iii. For Work performed by a subcontractor, the added cost for overhead and profit shall not exceed fifteen percent (15%) of the subcontractor's Net Cost of the Work to which the Contractor may add five percent (5%) of the subcontractor's Net Cost.
- iv. For Work performed by a sub-subcontractor, the added cost for overhead and profit shall not exceed fifteen percent (15%) of the sub-subcontractor's Net Cost for Work to which the subcontractor and general contractor may each add an additional five percent (5%) of the Net Cost of the lower tier subcontractor.
- v. No additional mark-up will be allowed for lower tier subcontractors, and in no case shall the added cost for overhead and profit payable by MTS exceed twenty-five percent (25%) of the Net Cost as defined herein, of the party that performs the Work.

All of the following costs are included in the markups for overhead and profit described above, and Contractor shall not receive any additional compensation for: Submittals, drawings, field drawings, Shop Drawings, including submissions of drawings; field inspection; General Superintendence; General administration and preparation of cost proposals, schedule analysis, Change Orders, and other supporting documentation; computer services; reproduction services; Salaries of project engineer, superintendent, timekeeper, storekeeper, and secretaries; Janitorial services; Small tools, incidentals and consumables; Temporary On-Site facilities (Offices, Telephones, High Speed Internet Access, Plumbing, Electrical Power, Lighting; Platforms, Fencing, Water), Jobsite and Home office overhead or other expenses; vehicles and fuel used for work otherwise included in the Contract Documents; Surveying; Estimating; Protection of Work; Handling and disposal fees; Final Cleanup; Other Incidental Work; Related Warranties; insurance and bond premiums.

#### **E. Unilateral Change Orders**

If MTS disagrees with the cost proposal submitted by Contractor, it will notify the Contractor and MTS will provide its opinion of the appropriate price and/or time extension. If the Contractor agrees with MTS, a Change Order will be issued in accordance with the terms of this Section. If no agreement can be reached, MTS shall have the right to issue a unilateral change order setting forth its determination of the reasonable additions or savings in costs and time attributable to the extra or deleted work. Such determination shall become final and binding if the Contractor fails to submit a claim in writing to MTS

within fifteen (15) Days of the issuance of the unilateral change order, disputing the terms of the unilateral change order and providing such supporting documentation for its position as MTS may reasonably require.

#### **F. Change of Contract Times**

The Contract Times may only be changed by a Change Order.

All changes in the Contract Price and/or adjustments to the Contract Times related to each change shall be included in Contractor's change order proposal. No cost or time will be allowed for cumulative effects of multiple changes. All Change Orders must state that the Contract Time is not changed or is either increased or decreased by a specific number of days. Failure to include a change to time shall waive any change to the time unless the parties mutually agree in writing to postpone a determination of the change to time resulting from the Change Order.

Notice of the amount of the request for adjustment in the Contract Times with supporting data shall be delivered within seven (7) Days after such start of occurrence unless MTS allows an additional period of time to ascertain more accurate data in support of the request. No extension of time or additional compensation shall be given for a delay if the Contractor failed to give notice in the manner and within the time prescribed.

MTS may elect, at MTS's sole discretion, to grant an extension in Contract Times, without Contractor's request, because of delays or other factors.

Float is for the benefit of the Project. Float shall not be considered for the exclusive use or benefit of either MTS or the Contractor. Contractor shall not be entitled to compensation, and MTS will not compensate Contractor for delays which impact early completion. Any difference in time between the Contractor's early completion and the Contract Time shall be considered a part of the Project float.

Contractor's entitlement to an extension of the Contract Times is limited to an MTS-caused extension of the critical path, reduced by the Contractor's concurrent delays, and established by a proper time impact analysis. No time extension shall be allowed unless, and then only to the extent that, the MTS-caused delay extends the critical path beyond the previously approved Contract Time. If approved, the increase in time required to complete the Work shall be added to the Contract Time.

Contractor shall not be entitled to an adjustment in the Contract Price or Contract Times for delays within the control of Contractor. Delays attributable to and within the control of a Subcontractor or Supplier shall be deemed to be delays within the control of Contractor.

If Contractor is delayed in the performance or progress of the Work by fire, flood, epidemic, abnormal weather conditions (as determined by MTS), Acts of God, acts or failures to act of utility owners not under the control of MTS, or other causes not the fault of and beyond control of MTS and Contractor, then Contractor shall be entitled to a time extension when the Work stopped is on the critical path. Such a non-compensable adjustment shall be Contractor's sole and exclusive remedy for such delays. Contractor must submit a timely request in accordance with the requirements of this Section.

Requests for Contract Extension: Contractor's justification for entitlement shall be clear and complete citing specific Contract Document references and reasons on which

Contractor's entitlement is based. At a minimum, each request for a time extension must include:

Each request for an extension of Contract Time must identify the impacting event, in narrative form, providing a description of the delay event and sufficient justification as to why the Contractor is entitled to a time extension. Contractor must demonstrate that the delay arises from unforeseeable causes beyond the control and without the fault or negligence of both Contractor and any Subcontractors or Suppliers, or any other persons or organizations employed by any of them or for whose acts any of them may be liable, and that such causes in fact lead to performance or completion of the Work, or specified part in question, beyond the corresponding Contract Times, despite Contractor's reasonable and diligent actions to guard against those effects.

Each request for an extension of Contract Time must include a time impact analysis in CPM format, using the Contemporaneous Impacted As-Planned Schedule Analysis to calculate the impact of the delay event.

### **3.36. FINAL ACCEPTANCE AND PAYMENT**

#### **Final Inspection:**

Upon written notice from Contractor that entire Work is complete, MTS will promptly make a final inspection and will notify Contractor in writing of all particulars in which this inspection reveals that the Work is incomplete or defective. Contractor shall immediately take such measures as are necessary to complete such Work or remedy such deficiencies.

#### **Final Acceptance:**

If MTS has, in its reasonable determination, found that Contractor has satisfactorily completed all corrections identified during the final inspection and has delivered, in accordance with the Contract Documents, all maintenance and operating instructions, schedules, guarantees, bonds, certificates or other evidence of insurance, certificates of inspection, marked-up record documents (as-builts), and other documents required by the Contract Documents, MTS shall execute and file with the County in which the Project is located a Notice of Completion, constituting final acceptance and completion of the Project, except as may be expressly noted.

#### **Final Payment:**

Upon execution of the Notice of Completion, Contractor may make application for final payment following the procedure for progress payments. The final application for payment shall be accompanied (except as previously delivered) by: all documentation called for in the Contract Documents, including but not limited to a fully completed Conditional Waiver and Release on Final Payment. If, on the basis of MTS's observation of the Work during construction and final inspection, and review of the final application for payment and accompanying documentation as required by the Contract Documents, MTS is satisfied that the Work has been completed and Contractor has satisfied all other requirements for final payment, MTS will process the final payment application. Otherwise, MTS will return the payment application to Contractor, indicating in writing the reasons for refusing to recommend final payment, in which case Contractor shall make the necessary corrections and resubmit the application for payment. Within sixty (60) Days after the presentation to MTS of the proper and complete final application for payment and accompanying documentation, the amount recommended by MTS, less any sum MTS is entitled to set off pursuant to the Contract Documents, will become due and will be paid by MTS to Contractor.

**Waiver of Claims:**

The making and acceptance of final payment will constitute a waiver of all Claims by Contractor against MTS other than those previously made in accordance with the requirements herein and expressly acknowledged by MTS in writing as still unsettled.

In case of default by the Contractor, any unpaid balance shall be and become the sole and absolute property of MTS to the extent necessary to repay MTS any excess in the cost of the Work above the contract price and all costs required for completion of the Contract.

At MTS's discretion, MTS may require Contractor to submit a release of liens and claims pursuant to Civil Code section 8136 prior to the release of the final payment. MTS's release of the final payment will be contingent on Contractor's submission of such a release.

In the event of incomplete work, punch list work, or a dispute between MTS and the Contractor, MTS may withhold from the final payment an amount not to exceed 150% of the disputed amount.

**3.37. WARRANTY AND GUARANTEE OF WORK**

Contractor hereby warrants that materials and work shall be completed in conformance with the Contract Documents and that the materials and work provided will fulfill the requirements of this Warranty. Contractor hereby agrees to repair or replace any or all work that may prove to be defective in its workmanship, materials furnished, methods of installation or fail to conform to the Contract Document requirements together with any other work which may be damaged or displaced by such defect(s) within a period of one (1) year, or such longer period of time as may be prescribed by the terms of any applicable special guarantee required by the Contract Documents or by any specific provision of the Contract Documents, from the date of the Notice of Completion of the Project without any expense whatever to MTS, ordinary wear and tear and unusual abuse and neglect excepted. Contractor shall be required to promptly repair or replace defective equipment or materials, at Contractor's option. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstitution of equipment and materials necessary to gain access, shall be the sole responsibility of the Contractor.

For any Work so corrected, Contractor's obligation hereunder to correct defective Work shall be reinstated for an additional one (1) year period, commencing with the date of acceptance of such corrected Work. The reinstatement of the one (1) year warranty shall apply only to that portion of work that was corrected. Contractor shall perform such tests as MTS may require to verify that any corrective actions, including, without limitation, redesign, repairs, and replacements comply with the requirements of the Contract. In the event of Contractor's failure to comply with the above-mentioned conditions within ten (10) calendar days after being notified in writing of required repairs, to the reasonable satisfaction of MTS, MTS shall have the right to correct and replace any defective or non-conforming Work and any work damaged by such work or the replacement or correction thereof at Contractor's sole expense. Contractor shall be obligated to fully reimburse MTS for any expenses incurred hereunder immediately upon demand.

MTS shall notify the Contractor, in writing, within a reasonable time after the discovery of any failure, defect, or damage. The Contractor shall within ten (10) calendar days after being notified commence and perform with due diligence all necessary Work. If the Contractor fails to promptly remedy any defect, or damage; MTS shall have the right to replace, repair or otherwise remedy the defect, or damage at the Contractor's expense.

In addition to the warranty set forth in this Section, Contractor shall obtain for MTS all warranties that would be given in normal commercial practice and assign to MTS any and all manufacturer's

or installer's warranties for equipment or materials not manufactured by Contractor and provided as part of the Work, to the extent that such third-party warranties are assignable and extend beyond the warranty period set forth in this Section. Contractor shall furnish MTS with all warranty and guarantee documents prior to final Acceptance of the Project by MTS as required.

When specifically indicated in the Contract Documents or when directed, MTS may furnish materials or products to the Contractor for installation. In the event any act or failure to act by Contractor shall cause a warranty applicable to any materials or products purchased by MTS for installation by the Contractor to be voided or reduced, Contractor shall indemnify MTS from and against any cost, expense, or other liability arising therefrom, and shall be responsible to MTS for the cost of any repairs, replacement or other costs that would have been covered by the warranty but for such act or failure to act by Contractor.

The Contractor shall remedy at its expense any damage to MTS-owned or controlled real or personal property.

In the event of any emergency constituting an immediate hazard to health, safety, property, or licensees, when caused by Work of the Contractor not in accordance with the Contract requirements, MTS may undertake at Contractor's expense, and without prior notice, all Work necessary to correct such condition.

Nothing in the Warranty or in the Contract Documents shall be construed to limits the rights and remedies available to MTS at law or in equity, including, but not limited to, Code of Civil Procedure Section 337.15.

### **3.38. RECORD ("AS BUILT") DRAWINGS**

Contractor shall prepare and maintain a complete set of record drawings through the course of the Work. The record drawings must show the actual installation where the installation varies from the Work as originally shown. Contractor shall mark the record drawings to show each change, including but not limited to changes to vertical and horizontal alignment; location and station of appurtenance facilities; details of connection tie-in points and complex piping/valve configurations; depth and location of utility crossings; and valve manufacturer and model number. Contractor shall mark whichever area of the drawings is most capable of showing conditions fully. Redline set should be completed in a manner that minimizes excessive and otherwise confusing markings. A separate detail should be used to avoid adding too many notations to a specific area of the drawing. Contractor shall give particular attention to concealed elements that would be difficult to measure and record at a later date. Contractor shall organize the record drawings into one drawing set with proper identification as "RECORD DRAWINGS." The suitability of the record drawings will be determined by MTS. If the record drawings are determined unsuitable, the Contractor shall update the record drawings to the satisfaction of the Engineer at no cost to MTS. If requested, Contractor shall provide the record drawings in electronic format.

Record drawings shall be kept up-to-date and available for review by MTS at the job site at all times. MTS will review the record drawings during each month's progress payment review. Failure on the Contractor's part to keep record drawings current could result in withholding partial payment.

### **3.39. CLAIMS, DISPUTE RESOLUTION**

#### **Initiating Claims:**



All Claims, except those waived pursuant to the Contract Documents, shall be referred to MTS for decision. Compliance with this Section, including submission of a claim, properly certified, with all required supporting documentation, and written rejection or denial of all or part of the claim by MTS, is a condition precedent to any exercise Contractor pursues of any rights or remedies either may otherwise have under the Contract Documents or by Applicable Laws in respect of such Claims.

If any dispute shall arise between MTS and Contractor regarding performance of the work, or any alleged change in the work, Contractor shall timely perform the disputed work and shall give written notice of a claim ("Notice of Potential Claim" or "NOPC") for additional compensation for the work to MTS within three (3) days after commencement of the disputed work. Contractor's failure to provide an NOPC within the three (3)-day period constitutes an agreement by Contractor that it will receive no extra compensation for the disputed work.

The responsibility to substantiate a Claim shall rest with the Contractor. A Claim for an adjustment in Contract Price and/or the Contract Times shall be prepared in accordance with the Contract Documents. Each Claim shall be accompanied by claimant's written statement that the adjustment claimed is the entire adjustment to which the claimant believes it is entitled as a result of said event.

At a minimum, a substantiated Claim must include:

- A. Summary of claim merit and price, reference Contract Document provisions pursuant to which the claim is made.
- B. Chronology of events and correspondence.
- C. Analysis of claim merit.
- D. Analysis of claim cost.
- E. Analysis of Contract Time
- F. Cover letter and Contractor's certification of the claim, including claims from subcontractors of any tier, in accordance with Government Code sections 12650 and following.

MTS will review each Claim and take one of the following actions in writing:

- A. Deny the Claim in whole or in part;
- B. Approve the Claim; or
- C. In the event that MTS does not take action on a Claim within the statutory timeframe, or, if none, sixty (60) Days after the receipt of a proper and complete Claim, the Claim shall be deemed denied.

MTS's written action will be final and binding upon MTS and Contractor, unless MTS or Contractor invokes the dispute resolution procedure set forth below.

No Claim for an adjustment in the Contract Price or the Contract Times will be valid if not submitted in accordance with this Section and failure to comply with this Section constitutes a waiver of Contractor's Claims.

**Claims Less Than \$375,000:**

In accordance with Public Contract Code Sections 20104 et seq. and other applicable law, public works claims of \$375,000 or less which arise between the Contractor and MTS shall be resolved under the following statutory procedure unless MTS has elected to resolve the dispute pursuant to Public Contract Code Section 10240 et seq.

**Claims Under \$50,000:**

MTS shall respond in writing to the claim within 45 calendar days of receipt of the claim, or, MTS may request, in writing, within 30 calendar days of receipt of the claim, any additional documentation supporting the claim or relating to defenses or claims MTS may have. If additional information is needed thereafter, it shall be provided upon mutual agreement of MTS and the Contractor. MTS's written response shall be submitted 15 calendar days after receiving the additional documentation, or within the same period of time taken by the Contractor to produce the additional information, whichever is greater.

**Claims Over \$50,000 But Less Than or Equal To \$375,000:**

MTS shall respond in writing within 60 calendar days of receipt, or may request in writing within 30 calendar days of receipt of the claim, any additional documents supporting the claim or relating to defenses or claims MTS may have against Contractor. If additional information is needed thereafter, it shall be provided pursuant to mutual agreement between MTS and the Contractor. MTS response shall be submitted within 30 calendar days after receipt of the further documents, or within the same period of time taken by the Contractor to produce the additional information or documents, whichever is greater. The Contractor shall make these records and documents available at all reasonable times, without any direct charge.

**All Claims:**

Notwithstanding the foregoing, all public works claims between the Contractor and MTS shall be resolved pursuant to the procedures set forth in Public Contract Code Section 9204. MTS will provide a written response to the Contractor identifying what portion of the claim is disputed and what portion is undisputed within 45 days of receipt of the claim unless the parties mutually agree to extend the time for response. If MTS does not respond within the 45-day time period, or as extended by mutual agreement, the claim shall be deemed rejected in its entirety.

**Meet and Confer Process:**

Contractor and MTS will first attempt to resolve disputes or disagreements at the field level through discussions between field representatives of both parties, which discussions shall conclude within seven (7) Days after MTS's written action, unless MTS and Contractor mutually agree otherwise.

If the claimant disputes MTS's response, or if MTS fails to respond within the statutory time period(s), the claimant may so notify MTS within 15 Days of the receipt of the response or the failure to respond and demand an informal conference to meet and confer for settlement. Upon such demand, MTS shall schedule a meet and confer conference within 30 Days.

**Mediation and Litigation:**

Within 10 business days following the conclusion of the meet and confer conference, if the claim or any portion thereof remains in dispute, MTS shall provide the Contractor with a written statement identifying the portion of the claim that remains in dispute and the portion that is

undisputed. Any portion of the claim that remains in dispute shall be submitted to nonbinding mediation. The selection of the mediator shall be in accordance with Public Contract Code section 9204 and MTS and the Contractor shall equally share the associated mediator fees. Each party will be responsible for its own attorney's fees and other costs.

#### **Tort Claim Procedures:**

In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, construction claims and/or changed conditions, the Contractor must comply with the claim procedures set forth in Government Code section 900 et seq. prior to filing any lawsuit against MTS. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, construction claims, and/or changed conditions have been followed by Contractor. If no such Government Code claim is submitted, or if the prerequisite contractual requirements are not otherwise satisfied as specified herein, Contractor shall be barred from bringing and maintaining a valid lawsuit against MTS.

#### **Duty to Continue Performance:**

Unless provided to the contrary in the Contract Documents, Contractor shall continue to perform the Work and MTS shall continue to satisfy its payment obligations to Contractor, pending the final resolution of any dispute or disagreement between Contractor and MTS.

### **3.40. TERMINATION**

#### **Termination for Cause by MTS:**

MTS may, without prejudice to any other right or remedy, serve written notice upon Contractor of its intention to terminate this Contract in whole or in part if the Contractor: (i) refuses or fails to prosecute the Work or any part thereof with such diligence as will ensure its completion within the Contract Time; (ii) fails to complete the Work within the required time; (iii) files a bankruptcy petition or is adjudged a bankruptcy; (iv) makes a general assignment for the benefit of its creditors; (v) has a receiver appointed; (vi) refuses or fails to supply enough properly skilled workers or proper materials to complete the Work; (vii) fails to make prompt payment to subcontractors or for material or labor; (viii) disregards Applicable Laws, other requirements or instructions of MTS; or (ix) violates any of the provisions of the Contract Documents.

The Notice of Default and Intent to Terminate shall state the reasons for termination. Unless within five (5) Days after the service of such notice, Contractor resolves the circumstances giving rise to the Notice of Default to MTS's satisfaction or makes arrangements acceptable to MTS for the required corrective action, MTS may terminate this Contract. In such case, Contractor shall not be entitled to receive any further payment until the Work has been finished. MTS may take over and complete the Work by any method it may deem appropriate, including enforcement of the Project Performance Bond. Contractor and its surety shall be liable to MTS for any excess costs or other damages incurred by MTS to complete the Work. If MTS takes over the Work, MTS may, without liability for so doing, take possession of and utilize in completing the Work such materials, appliances, plant, and other property belonging to the Contractor as may be on the Site.

#### **Termination for Convenience By MTS:**

In addition to its right to terminate this Contract for default, MTS may terminate the Contract, in whole or in part, at any time upon seven (7) Days written notice to Contractor. The Notice of

Termination shall specify that the termination is for the convenience of MTS, the extent of termination, and the effective date of such termination ("Effective Date of Termination").

After receipt of Notice of Termination, and except as directed by MTS, the Contractor shall, regardless of any delay in determining or adjusting any amounts due under this Termination for Convenience clause, immediately proceed with the following obligations:

- A. Stop Work as specified in the Notice.
- B. Complete any Work specified in the Notice of Termination in a least cost/shortest time manner while still maintaining the quality called for under the Contract Documents.
- C. Leave the property upon which the Contractor was working and upon which the facility (or facilities) forming the basis of the Contract Document is situated in a safe and sanitary manner such that it does not pose any threat to the public health or safety.
- D. Terminate all subcontracts to the extent that they relate to the portions of the Work terminated.
- E. Place no further subcontracts or orders, except as necessary to complete the continued portion of the Contract.
- F. Submit to MTS, within ten (10) calendar days from the Effective Date of the Notice of Termination, all of the usual documentation called for by the Contract Documents to substantiate all costs incurred by the Contractor for labor, materials and equipment through the Effective Date of the Notice of Termination. Any documentation substantiating costs incurred by the Contractor solely as a result of MTS's exercise of its right to terminate this Contract pursuant to this clause, which costs the contractor is authorized under the Contract documents to incur, shall: (1) be submitted to and received by MTS no later than 30 calendar days after the Effective Date of the Notice of Termination; (2) describe the costs incurred with particularity; and (3) be conspicuously identified as "Termination Costs occasioned by MTS's Termination for Convenience."

Termination of the Contract shall not relieve Surety of its obligation for any just claims arising out of or relating to the Work performed.

MTS's total liability to Contractor by reason of the termination shall be limited to the total (without duplication of any items) of:

- A. The reasonable cost to the Contractor for all Work performed prior to the Effective Date of Termination, including the Work done to secure the Project for termination. Reasonable cost may not exceed the applicable percentage completion values derived from the progress schedule and the Cost Breakdown. Deductions shall be made for cost of materials to be retained by the Contractor, cost of Work defectively performed, amounts realized by sale of materials, and for other appropriate credits or offsets against cost of Work as allowed by the Contract Documents.
- B. When, in MTS's opinion, the cost of any item of Work is excessively high due to costs incurred to remedy or replace defective or rejected Work, reasonable cost to be allowed will be the estimated reasonable cost of performing the Work in compliance with requirements of the Contract Documents and excessive actual cost shall be disallowed.
- C. Any Work required by the Termination for Convenience that is not included in Contract Documents will be negotiated pursuant to the Contract Change Order provisions.

- D. Reasonable costs to the Contractor of handling material returned to vendors, delivered to MTS or otherwise disposed of as directed by MTS.
- E. A reasonable allowance for the Contractor's internal administrative costs in preparing termination claim.
- F. Reasonable demobilization costs, and reasonable payments made to Subcontractors or suppliers on account of termination.

In no event shall MTS be liable for unreasonable costs incurred by the Contractor or subcontractors after receipt of a Notice of Termination. Such non-recoverable costs include, but are not limited to, the cost of or anticipated profits on Work not performed as of the date of termination, post-termination employee salaries, unreasonable post-termination administrative expenses, post-termination overhead or unabsorbed overhead, surety costs of any type, costs of preparing and submitting the Contractor's termination claim, attorney fees of any type, and all other costs relating to prosecution of a claim or lawsuit.

Notwithstanding any other provision of this Section, when immediate action is necessary to protect life and safety or to reduce significant exposure or liability, MTS may immediately order Contractor to cease Work until such safety or liability issues are addressed to the satisfaction of MTS or the Contract is terminated.

If MTS terminates Contractor for cause, and if it is later determined that the termination was wrongful, such default termination shall automatically be converted to and treated as a termination for convenience. In such event, Contractor shall be entitled to receive only the amounts payable under this section, and Contractor specifically waives any claim for any other amounts or damages, including, but not limited to, any claim for consequential damages or lost profits.

### **3.41. OCCUPANCY**

MTS reserves the right to occupy or utilize any portion of the Work at any time before completion, and such occupancy or use shall not constitute acceptance of any part of Work covered by this Contract. This use shall not relieve the Contractor of its responsibilities under the Contract.

### **3.42. CALIFORNIA PUBLIC RECORDS ACT (CPRA)**

MTS and Contractor acknowledge that MTS is a public agency subject to the CPRA (California Government Code §§ 6250 through 6276.48) and other applicable laws. The agreement entered into between MTS and Contractor will be considered a public record and subject to disclosure in compliance with the CPRA. MTS acknowledges and agrees that during the course of the work conducted by Contractor, MTS may be provided with Contractor's confidential and proprietary or trade secret information that is not subject to disclosure under the CPRA or other applicable law. Such information will be clearly marked as "Confidential and Proprietary". MTS shall maintain such Confidential and Proprietary documents as confidential and shall not disclose them to third parties unless required to do so by applicable law, rule or regulation. In the event a request for Contractor's Confidential and Proprietary documents is received by MTS, whether under the CPRA, subpoena, or other method, MTS will provide Contractor with an opportunity to review the request, and at Contractor's sole cost, to defend or pursue an action to protect such Confidential and Proprietary documents from disclosure. MTS shall not be required to incur legal fees and costs to protect Contractor's Confidential and Proprietary documents from disclosure under state or federal law.

**3.43. SEPARATE CONTRACTS**

MTS reserves the right to let other contracts in connection with this Work or on the Project site. Contractor shall permit other contractors' reasonable access and storage of their materials and execution of their work and shall properly connect and coordinate its Work with theirs.

To ensure proper execution of its subsequent Work, Contractor shall immediately inspect work already in place and shall at once report to MTS any problems with the Work in place or discrepancies with the Contract Documents.

Contractor shall ascertain to its own satisfaction the scope of the Project and nature of any other contracts that have been or may be awarded by MTS in prosecution of the Project to the end that Contractor may perform this Contract in the light of such other contracts, if any. Nothing herein contained shall be interpreted as granting to Contractor exclusive occupancy at site of the Project. Contractor shall not cause any unnecessary hindrance or delay to any other contractor working on the Project. If simultaneous execution of any contract for the Project is likely to cause interference with performance of some other contract or contracts, MTS shall decide which Contractor shall cease Work temporarily and which contractor shall continue or whether work can be coordinated so that contractors may proceed simultaneously. MTS shall not be responsible for any damages suffered or for extra costs incurred by Contractor resulting directly or indirectly from award, performance, or attempted performance of any other contract or contracts on the Project site.

**3.44. SAFETY**

The Contractor shall comply with all applicable laws and regulations of the federal, state, and local government, including Cal/OSHA requirements and requirements for verification of employees' legal right to work in the United States.

The Contractor shall maintain emergency first aid treatment for his employees which complies with the Federal Occupational Safety and Health Act of 1970 (29 U.S.C. § 651 et seq.), and California Code of Regulations, Title 8, Industrial Relations Division 1, Department of Industrial Relations, Chapter 4. The Contractor shall ensure the availability of emergency medical services for its employees in accordance with California Code of Regulations, Title 8, Section 1512.

**3.45. AUTHORIZED REPRESENTATIVES**

MTS shall designate representatives who shall have the right to be present at the Project site at all times. MTS may designate an inspector who shall have the right to observe all of the Contractor's Work. The inspector shall not be responsible for the Contractor's failure to carry out the Work in accordance with the Contract Documents. Contractor shall provide safe and proper facilities for such access.

**3.46. EQUAL EMPLOYMENT OPPORTUNITY (EEO) PROGRAM****A. MTS's EEO Program:**

MTS is an EEO Employer. MTS' EEO Program for Employees and Contractors, MTS Board Policy No. 25, is hereby incorporated by reference to this Contract (a copy can be obtained from MTS' Clerk of the Board).

**B. Compliance with Regulations:**

Contractor shall not discriminate against any employee or applicant for employment or

business opportunity as defined at 49 U.S.C. 5332 based on race, color, religion, national origin, sex, gender identity, sexual orientation, pregnancy, disability, or age. Contractor shall comply with: Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e et seq.; Title I of the Americans with Disabilities Act of 1990, as amended, 42 U.S.C. §§ 12101, et seq.; federal transit law, specifically 49 U.S.C. § 5332; FTA Circular 4704.1 “Equal Employment Opportunity (EEO) Requirements and Guidelines for Federal Transit Administration Recipients,”; and follow any other federal guidance pertaining to EEO laws, regulations, and requirements, and prohibitions against discrimination. Title VII of the Civil Rights Act of 1964, as amended, exempts Indian Tribes under the definition of “Employer.”

### **3.47. MISCELLANEOUS**

#### **A. Giving Notice:**

All notices shall be in writing and either served by personal delivery or mailed to the other party as designated in the Bid Forms. Written notice to the Contractor shall be addressed to Contractor’s principal place of business unless Contractor designates another address in writing for service of notice. Notice to MTS shall be addressed to MTS as designated in the IFB unless MTS designates another address in writing for service of notice. Notice shall be effective upon receipt or five (5) calendar days after being sent by first class mail, whichever is earlier. Notice given by facsimile shall not be effective unless acknowledged in writing by the receiving party.

#### **B. Assignment:**

Contractor shall not assign, transfer, convey, sublet or otherwise dispose of the rights or title of interest of any or all of this contract without the prior written consent of MTS. Any assignment or change of Contractor’s name of legal entity without the written consent of MTS shall be void. Any assignment of money due or to become due under this Contract shall be subject to a prior lien for services rendered or Material supplied for performance of Work called for under the Contract Documents in favor of all persons, firms, or corporations rendering such services or supplying such Materials to the extent that claims are filed pursuant to the Civil Code, the Code of Civil Procedure or the Government Code.

Pursuant to Public Contract Code Section 7103.5, in entering into a public works contract or subcontract to supply goods, services, or materials pursuant to a public works contract, Contractor or subcontractor offers and agrees to assign to MTS all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 USC, Section 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from the purchase of goods, services, or materials pursuant to this contract or any subcontract. This assignment shall be made and become effective at the time MTS tenders final payment to the Contractor, without further acknowledgment by the parties.

#### **C. All Legal Provisions Included:**

Contractor shall give all notices and comply with all federal, state and local laws, ordinances, rules and regulations bearing on conduct of work as indicated and specified by their terms. References to specific laws, rules or regulations in this Contract are for reference purposes only and shall not limit or affect the applicability of provisions not specifically mentioned. If Contractor observes that drawings and specifications are at variance therewith, he shall promptly notify MTS in writing, and any necessary changes shall be adjusted as provided for in this Contract for changes in Work. If Contractor

performs any Work knowing it to be contrary to such laws, ordinances, rules and regulations, and without such notice to MTS, he shall bear all costs arising therefrom.

Contractor shall be responsible for familiarity with the Americans with Disabilities Act ("ADA") (42 U.S.C. § 12101 et seq.). The Work will be performed in compliance with ADA laws, rules and regulations. Contractor shall comply with the Historic Building Code, including, but not limited to, as it relates to the ADA, whenever applicable.

Contractor acknowledges and understands that pursuant to Public Contract Code section 20676, sellers of "mined material" must be on an approved list of sellers published pursuant to Public Resources Code section 2717(b) in order to supply mined material for this Contract.

No MTS official or representative who is authorized in such capacity and on behalf of MTS to negotiate, supervise, make, accept, or approve, or to take part in negotiating, supervising, making, accepting or approving any engineering, inspection, construction or material supply contract or any subcontract in connection with construction of the Work, shall be or become directly or indirectly interested financially in the Contract.

All provisions of law required to be inserted in the Contract or Contract Documents pursuant to any Applicable Laws shall be and are inserted herein. If through mistake, neglect, oversight, or otherwise, any such provision is not herein inserted or inserted in improper form, upon the application of either party, the Contract or Contract Documents shall be changed by MTS, at no increase in Contract Price or extension in Contract Times, so as to strictly comply with the Applicable Laws and without prejudice to the rights of either party hereunder.

**D. Notice of Third-Party Claims:**

Pursuant to Public Contract Code Section 9201, MTS shall provide the Contractor with timely notification of the receipt of any third-party claims relating to the Contract. MTS is entitled to recover reasonable costs incurred in providing such notification.

**E. State License Board Notice:**

Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four (4) years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within ten (10) years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

**F. Notice of Taxable Possessory Interest:**

In accordance with Revenue and Taxation Code Section 107.6, the Contract Documents may create a possessory interest subject to personal property taxation for which Contractor will be responsible.

**G. Patents:**

Contractor shall hold and save MTS, MTS's Board of Directors, members of the Board, employees, and authorized volunteers harmless from liability of any nature or kind of claim therefrom including costs and expenses for or on account of any patented or unpatented



invention, article or appliance manufactured, furnished or used by Contractor in the performance of this contract.

**H. Change in Name and Nature of Contractor's Legal Entity:**

Should a change be contemplated in the name or nature of the Contractor's legal entity, the Contractor shall first notify MTS in order that proper steps may be taken to have the change reflected on the Contract and all related documents. No change of Contractor's name or nature will affect MTS's rights under the Contract, including but not limited to the bonds.

**I. Controlling Law:**

Notwithstanding any subcontract or other contract with any Subcontractor, Supplier, or other person or organization performing any part of the Work, this Contract shall be governed by the law of the State of California excluding any choice of law provisions.

**J. Jurisdiction, Venue:**

Contractor and any Subcontractor, Supplier, or other person or organization performing any part of the Work agree that any action or suits at law or in equity arising out of or related to the bidding, award, or performance of the Work shall be maintained in the Superior Court of San Diego County, California, and expressly consent to the jurisdiction of said court, regardless of residence or domicile, and agree that said court shall be a proper venue for any such action.

**3.48. DBE AND OTHER SMALL BUSINESS PARTICIPATION**

MTS encourages the participation of DBEs, minority owned businesses (MBEs), women owned businesses (WBEs), disabled veteran business enterprises (DVBES), lesbian gay bisexual transgender owned businesses (LGBTBEs) persons with disabilities business enterprises (PDBEs) and small businesses (SBs) in the performance of all of its contracts. MTS encourages the Contractor to outreach to DBEs and other small business enterprises for any potential subcontracting opportunities on this project. If interested in learning about bonding or financial assistance that may be available for small businesses, visit [www.sba.gov](http://www.sba.gov). If interested in learning about the eligibility requirements to become certified as a DBE, MBE, WBE, DVBE, LGBTBE, PDBE or SB or how to view a list of certified firms, please contact MTS's DBE Liaison Officer, [DBEProgram@sdmts.com](mailto:DBEProgram@sdmts.com) for more information.

There is no DBE contract specific goal for this Project.

**3.49. IDENTIFICATION OF PERSONNEL/SECURITY**

MTS shall provide all Contractor personnel assigned to work under this Agreement with Contractor Identification Badges ("MTS ID Card"). Requests for MTS ID Cards will be made to and processed by the MTS-designated project manager or contracting officer. Approved requests for MTS ID Card(s) will be processed within two business days. All Contractor personnel must obtain MTS ID Cards prior to entering MTS property. Valid MTS ID Cards must be displayed prominently on the uniform of all of Contractor's employees while on MTS property. Contractors are required to provide their employees uniforms prominently bearing the name of the Contractor's business entity. MTS will allow only properly credentialed personnel of the Contractor who are wearing the appropriate uniform on its property. Contractor personnel who enter MTS property without valid MTS ID Cards may be arrested and/or cited by MTS Code Enforcement and/or other law enforcement for trespassing and violation of MTS Ordinance 13. Contractor must

collect MTS ID Cards from all Contractor personnel separating from employment with the Contractor and return them to MTS for destruction. Contractor is strictly liable for the use of all MTS ID Cards issued to its employees under this Agreement.

### **Required Background Checks:**

MTS requires that all Contractor personnel assigned to work on MTS property pass comprehensive background checks (Investigative Consumer Report), conducted by the Contractor, prior to beginning work on MTS property or under this Agreement. At a minimum, the background check must, (1) positively establish the employee's identity, (2) search all common databases for criminal offenses (e.g., Federal District Court Databases), (3) verify the social security number or tax ID provided by the employee, (4) search sex offender databases, and (5) search the local criminal databases of every County in which the employee has lived in the last seven years. Contractor must conduct background checks in accordance with applicable law, including but not limited to, the Fair Credit Reporting Act and California Civil Code Sections 1785 and 1786.

Contractor personnel meeting any of the conviction criteria outlined below **are not eligible** for issuance of an MTS ID Card and may not be assigned to work on MTS property:

### **Permanent Disqualification:**

- A. Registered sex offenders are ineligible.
- B. Espionage or conspiracy to commit espionage.
- C. Sedition or conspiracy to commit sedition.
- D. Treason or conspiracy to commit treason.
- E. A federal crime of terrorism as defined in 18 U.S.C. 2332b(g), or comparable State law, or conspiracy to commit such crime.
- F. A crime involving a transportation security incident (TSI). Note: A TSI is a security incident resulting in a significant loss of life, environmental damage, transportation system disruption, or economic disruption in a particular area, as defined in 46 U.S.C. 70101. The term "economic disruption" does not include a work stoppage or other employee-related action not related to terrorism and resulting from an employer-employee dispute.
- G. Improper transportation of a hazardous material under 49 U.S.C. 5124 or a comparable state law.
- H. Unlawful possession, use, sale, distribution, manufacture, purchase, receipt, transfer, shipping, transporting, import, export, storage of, or dealing in an explosive or explosive device. An explosive or explosive device includes an explosive or explosive material as defined in 18 U.S.C. 232(5), 841(c) through 841(f), and 844(j); and a destructive device, as defined in 18 U.S.C. 921(a)(4) and 26 U.S.C. 5845(f).
- I. Murder.
- J. Threat or maliciously conveying false information knowing the same to be false, concerning the deliverance, placement, or detonation of an explosive or other lethal device in or against a place of public use, a state or government facility, a public transportation system, or an infrastructure facility.

- K. Violations of the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. 1961, et seq., or a comparable State law, where one of the predicate acts found by a jury or admitted by the defendant, consists of one of the permanently disqualifying crimes.
- L. Attempt to commit the crimes in items (B)-(E) of this Section.
- M. Conspiracy or attempt to commit the crimes in items (F)-(K) of this Section.
- N. Any offense that is still pending in the courts (without official legal disposition) that will disqualify the individual if they are convicted.

**Disqualification for seven years from the date of the offense or five years from the date of release from prison for the offense (whichever is later):**

- A. Unlawful possession, use, sale, manufacture, purchase, distribution, receipt, transfer, shipping, transporting, delivery, import, export of, or dealing in a firearm or other weapon. A firearm or other weapon includes, but is not limited to, firearms as defined in 18 U.S.C. 921(a)(3) or 26 U.S.C. 5 845(a), or items contained on the U.S. Munitions Import List at 27 CFR 447.21.
- B. Extortion.
- C. Dishonesty, fraud, or misrepresentation, including identity fraud and money laundering, where the money laundering is related to a crime listed in Parts A or B (except welfare fraud and passing bad checks).
- D. Bribery.
- E. Smuggling.
- F. Immigration violations.
- G. Distribution, possession w/ intent to distribute, or importation of a controlled substance.
- H. Arson.
- I. Kidnapping or hostage taking.
- J. Rape or aggravated sexual abuse.
- K. Assault with intent to kill.
- L. Robbery.
- M. Fraudulent entry into a seaport as described in 18 U.S.C. 1036, or a comparable State law.
- N. Violations of the Racketeer Influenced and Corrupt Organizations Act under 18 U.S.C. 1961, et seq., or a comparable state law, other than any permanently disqualifying offenses.
- O. Voluntary manslaughter.
- P. Conspiracy or attempt to commit crimes in this Section.
- Q. Any offense that is still pending in the courts (without official legal disposition) that will disqualify the individual if they are convicted.

The term conviction includes being found guilty, pleading guilty, pleading no contest, or being found guilty by reason of insanity.

This Section sets forth minimum standards Contractors must uphold through their background checking process, when assigning employees to work on an MTS contract. These disqualifying criteria are minimum standards to promote public safety/security. Contractor may choose to exceed these standards and is otherwise unrestricted in its employment decisions. Contractor may choose to employ individuals who do not meet these standards, as long as they are not assigned to work under this Agreement or on MTS property. Questions regarding the application of MTS's background checking standards should be directed to the MTS Manager of Human Resources.

Upon request of MTS, Contractor will provide sufficient documentation for MTS to audit Contractor's compliance with MTS's background checking standards. MTS reserves the right to delay provision of MTS ID Cards until contractor documents completion of appropriate background checks on employee(s) for whom Contractor is requesting MTS ID Card(s). MTS's oversight of Contractor's background checking process is not intended to replace Contractors judgment or ability to manage its workforce and operation. MTS's oversight, or lack thereof, shall not limit Contractor's liabilities and/or obligations as set forth in this Agreement.

MTS reserves the right to suspend or revoke the MTS ID Cards of Contractor's employees at its sole and absolute discretion.

If, with MTS's consent, Contractor subcontracts all or part of the services within this Agreement, Contractor will remain directly responsible and liable for ensuring subcontractor(s) adhere to MTS background checking and ID Card standards.

If MTS determines that Contractor has breached its obligations as defined in this Section, MTS may immediately terminate this Agreement by providing written notice to Contractor. If this Agreement is terminated, Contractor will be paid its costs for work performed up to the time of termination.

### **3.50. COST PRINCIPLES**

Contractor and any subcontractors agrees that the Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allowability of individual project cost items.

Contractor and its subcontractors shall comply with Federal administrative procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, to the extent applicable.

Contractor and its subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate incurred project costs and matching funds by line item for the project. The accounting system of Contractor and its subcontractors shall conform to Generally Accepted Accounting Principles (GAAP) and enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices.

Any costs for which payment has been made that are determined by a subsequent audit to be unallowable under the provisions above are subject to repayment by the Contractor to MTS.

### **3.51. RECORDS RETENTION AND ACCESS TO SITES OF PERFORMANCE (APPLICABLE TO ALL CONTRACTS AND SUBCONTRACTS)**

- A. Types of Records. Contractor and any Subcontractor shall retain, complete and make readily accessible records related in whole or in part to the performance of the Contract, including, but not limited to, books, data, documents, papers, accounting records, reports, statistics, sub agreements, leases, third party contracts, arrangements, other third party agreements of any type and supporting materials related to those records such as costs of administering those third party agreements, and other evidence pertaining to the performance of this Contract.
- B. Retention Period. The Contractor and any Subcontractor shall maintain all books, records, accounts and reports required under this Contract for a period of at not less than three (3) years after the date of final payment to MTS, except in the event of litigation or settlement of claims arising from the performance of this Contract, in which case records shall be maintained until the disposition of all such litigation, appeals, claims or exceptions related thereto.
- C. Access to Records and Sites of Performance. Contractor and any Subcontractor shall:
  - i. Provide sufficient access to inspect, copy and audit records and information, related to the performance of the Contract, at their respective offices at all reasonable times during the entire Contract period and for three (3) years from date upon of final payment to MTS under this Contract, to the following entities: U.S. Department of Transportation or its duly authorized representative, U.S. Secretary of Transportation or the Secretary's duly authorized representatives, to the Comptroller General of the United States, the Comptroller General's duly authorized representatives, State of California or its duly authorized representatives, CALTRANS or its or any duly authorized representative, the California State Auditor, auditors representing the federal government; and/or MTS;
  - ii. Permit those individuals listed above, and to the State Fair Employment Practices and Housing Commission, access to all records of employment, employment advertisements, employment application forms, and other pertinent data related to the performance of the Contract;
  - iii. Permit those individuals listed above to have access to the sites of performance of the Contract and to make site visits as needed in compliance with the U.S. DOT Common Rules, as applicable.
  - iv. Otherwise comply with 49 U.S.C. § 5325(g), and federal access to records requirements as set forth in the U.S. DOT Common Rules, as applicable.

The Contractor agrees to include the above clause in each subcontract.

### 3.52. GENERAL CONDITIONS REFERENCED HANDOUTS AND FORMS

#### A. SAMPLE PROMPT PAYMENT CERTIFICATION FORM

##### SAN DIEGO METROPOLITAN TRANSIT SYSTEM PROMPT PAYMENT CERTIFICATION FORM

**PURPOSE:** This certification is used to monitor compliance by prime contractors to promptly pay its subcontractors. In accordance with DOT's DBE Regulations and MTS's DBE Program, prime contractors must pay its subcontractors for satisfactory completion of subcontractors' work no later than thirty (30) days, or no later than seven (7) days if a public work, from prime contractor's receipt of payment from MTS. Any delay or postponement of payment over thirty (30) days must be for good cause and after receipt of prior written approval from MTS.

**INSTRUCTIONS:** Please complete the below Prompt Payment Certification Form and return with each invoice request to MTS and upon receipt of last payment of MTS email the form to [contract.admin@sdmts.com](mailto:contract.admin@sdmts.com). Processing of invoice payments may be delayed or withheld for failure to submit this form or failing to provide prompt payment in accordance with the contract.

##### 1. CONTRACTOR INFORMATION

Contractor Name: \_\_\_\_\_ MTS Contract / Work Order No. \_\_\_\_\_ Email Address: \_\_\_\_\_

##### 2. SUBCONTRACTOR PAYMENT INFORMATION

(Complete the following table. Attach additional sheets if necessary)

| Date Received from MTS<br>If this is the first invoice for contract, please state "first invoice", then continue to Certification. | Last Invoice Payment<br>If Yes continue with Subcontractor information<br>If No, please state "no", and then continue to Certification | Name of Subcontractor | Date Paid Subcontractor<br>If not yet paid, please state "pending", and provide the date paid in a subsequent form or if last payment of contract email contract.admin@sdmts.com | Amount Paid to Subcontractor<br>If not yet paid, please state "pending", and provide the amount paid in a subsequent form or provide directly to MTS | If payment was delayed over 30 days, did MTS approve such delay and was the delay for good cause (explain)? |
|------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
|                                                                                                                                    |                                                                                                                                        |                       |                                                                                                                                                                                  |                                                                                                                                                      |                                                                                                             |
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|                                                                                                                                    |                                                                                                                                        |                       |                                                                                                                                                                                  |                                                                                                                                                      |                                                                                                             |

##### 3. CERTIFICATION

The contractor hereby certifies that the foregoing Prompt Payment Certification Form is true and correct and it has complied with the prompt payment and return of retainage requirements of the contract.

Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

For a blank form, please visit <https://www.sdmts.com/business-center/procurement/prompt-payment>.



### C. PROFIT CALCULATION MATRIX

This form is prepared in accordance with and incorporates "CHANGES AND EXTRA WORK PAYMENTS" section of the Contract Documents

| Profit Calculation Matrix |      |                     |       |
|---------------------------|------|---------------------|-------|
| Contract No.: X###.0-##   |      | Prepared By: XXXXXX |       |
| Factor                    | Rate | Weight (variable)   | Value |
| Degree of Risk            | 30   |                     | 0.00  |
| Subcontracting            | 10   |                     | 0.00  |
| Complexity of Work        | 25   |                     | 0.00  |
| Value of Job              | 20   |                     | 0.00  |
| Contractor Investment     | 15   |                     | 0.00  |
| Total Profit (%)          | 100  |                     | 0.00  |

Based on the circumstances of the Change Order, each of the above factors shall be weighted from .03 to .15 as indicated below. The value shall be obtained by multiplying the rate by the weight. The fair and reasonable profit for NPP Items of work shall be determined from the value column when totaled. The maximum percent profit shall not exceed 15%.

**Degree of Risk:** Where the work involves no risk, or the degree of risk is very small, the weighting shall be .03; as the degree of risk increases, the weighting shall be increased up to a maximum of .15. Factors considered include but are not limited to: the nature of the work, method specification or performance specification, where work is to be performed, working conditions, coordination, shop drawings, long lead items, limited work windows, time constraints, amount of labor included, and degree of scope definition.

**Subcontracting:** When the Contractor uses subcontractors to perform work, the weighting value shall be inversely proportional to the portion of the work performed by subcontractors. Where 80% or more of the work is to be subcontracted, the weighting shall be .03. Such weighting shall increase proportionally to .15 when all the work is performed by the Contractor's own forces.

**Complexity of Work:** When the work is most difficult and complex the weighting shall be .15. This shall be proportionately reduced to .03 for the simplest of jobs. Factors MTS shall consider include but are not limited to: the nature of the work, coordination, shop drawings, by whom the work is performed, the location of the work, and time constraints of the work.

**Value of Job:** Each item in excess of \$100,000 shall be weighted at .15. Work estimated between \$100,000 and \$25,000 shall be proportionately weighed from .15 to .05. Work from \$24,999 to \$5,000 shall be weighted at .04. Work less than \$5,000 shall be weighted at .03.

**Contractor Investment:** Contractor investment shall be weighted proportionately from .03 to .15. Factors MTS shall consider, include but are not limited to, mobilization costs, and contractor advanced funding for materials, shop drawings, fabrication and quality control testing.



# **EXHIBIT B**

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## **SCOPE OF WORK/MINIMUM TECHNICAL SPECIFICATIONS, SPECIAL CONDITIONS AND ATTACHMENTS**

## **4. SCOPE OF WORK/MINIMUM TECHNICAL SPECIFICATIONS**

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SEE ATTACHMENT 1 – SPECIFICATIONS

SEE ATTACHMENT 1.1 – PLANS

SEE ATTACHMENT 1.2 – PERMIT

## 5. SPECIAL CONDITIONS

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### 5.1. TARIFFS

All quoted pricing should be "EXCLUSIVE" of tariffs. In the event there are tariffs imposed across any items under this contract, the Contractor may request separate payment through the submission of CBP Form 7501 outlining the HTSUS rate (Box 33) and Duty charged (Box 34) for the description (Box 28) and quantity (Box 30 & 31) of the item which should match the MTS Purchase Order particulars.

Tariff charges may be invoiced under a separate charge to each purchase order once approved by MTS.

### 5.2. LIQUIDATED DAMAGES

It is agreed that the Contractor will pay MTS the sum of **\$2,000** for each and every calendar day of delay beyond the time prescribed in the Contract Documents for finishing the Work, as Liquidated Damages and not as a penalty or forfeiture. In the event this is not paid, the Contractor agrees MTS may deduct that amount from any money due or that may become due the Contractor under the Contract. Liquidated Damages will be MTS's sole monetary remedy for delays. This Section does not exclude recovery of other damages specified in the Contract Documents.

### 5.3. WORKING DAYS

Working days are defined as Monday through Friday, excepting MTS holidays. The following days are MTS holidays:

- A. New Year's Day – January 1
- B. Martin Luther King, Jr. Day – Third Monday in January
- C. President's Day – Third Monday in February
- D. Memorial Day – Last Monday in May
- E. Independence Day – July 4
- F. Labor Day – First Monday in September
- G. Veteran's Day – November 11
- H. Thanksgiving Day – Fourth Thursday in November
- I. Day after Thanksgiving – Friday after Thanksgiving Day
- J. Christmas Day – December 25

When one of the above holidays falls on a Saturday, the Friday preceding will be observed as a holiday. When one of the above holidays falls on a Sunday; the Monday following will be observed as a holiday. When December 25 falls on a Tuesday, December 24 will additionally be observed as a holiday. When December 25 falls on a Thursday, December 26 will additionally be observed as a holiday.

#### **5.4. WORKING HOURS**

Normal working hours shall be between 7:00 a.m. and 3:30 p.m. unless otherwise noted within these specifications or on the Drawings, or as otherwise required by any governmental entity within whose jurisdiction the Work is performed. Alternate working hours may be arranged, subject to the permission of MTS, to accommodate time restricting schedules imposed on the Contractor by other agencies. MTS shall receive written notice 48 hours prior to any proposed changes in working hours. In no case shall any work be performed outside the normal working hours indicated above or alternate working hours otherwise noted within these specifications or on the Drawings without prior approval of MTS.

#### **5.5. WORKING CONDITIONS & SITE ACCESS**

- A. The current fence between the track and the pathway sidewalk will need to remain in place or be supplemented with Contractor provided temporary fencing during the course of construction until an agreed upon time that is coordinated and approved by MTS to be removed and replaced per the contract documents. Any temporary fencing will need to be robust and secured in a manner, so as the fencing cannot have the potential to foul the tracks.
- B. If heavy machinery is involved in the work activity, at a minimum an ADVISORY work crew protection is required – even if it is more than 15 feet away from the nearest track and temporary fencing is in place.
- C. Any work performed on the overhead catenary system (OCS) or that comes within 10 feet of the nearest OCS, requires a traction power-down. Red tag requests are to be submitted at least 10 business days in advance of the work activity and are subject to MTS review and approval.
- D. Any work requiring a traction power-down is to be performed at night, during non-revenue service. Tracks are to be cleared and turned over to MTS the following morning prior to revenue service.
- E. If existing site lighting is removed prior to new permanent lighting being installed, Contractor is to provide temporary lighting of the site.
- F. MTS strictly prohibits any machinery from being placed on the tracks.
- G. All access to the job site will be through MTS property. The Contractor must verify property ownership before entering.
- H. The Contractor is responsible for obtaining a noise permit from the City before commencing construction.
- I. The Contractor must develop a Traffic Control Plan if required.
- J. The Contractor is responsible for conducting community outreach to inform the public about the planned construction activities.
- K. Contractor is required to contact Dig Alert for outside utility locating. This is in addition to the contract Signaling requirements. All utility mark-out will be provided at the expense of the Contractor.
- L. Contractor is required to install and maintain temporary pedestrian signage to reroute pedestrians to appropriate detour during course of construction.
- M. Contractor shall inspect and maintain their temporary site fencing regularly, including cleaning or covering graffiti.

## **5.6. PRE-CONSTRUCTION CONFERENCE**

MTS shall schedule a pre-construction conference immediately after the Award by MTS's Board of Directors. The Contractor and all subcontractors whose portion of the Work accounts for 5% or more of the contract bid price are required to attend. Contractor shall, at minimum, submit the following listed items at the pre-construction conference. Additional submittals shall be provided by Contractor at the pre-construction conference if required by MTS.

- A. Tentative construction schedule detailing the major items of work and indicating project completion within the contract time limit specified herein.
- B. Shoring plan and Cal/OSHA trench/excavation permit.
- C. Contact addresses, telephone and FAX numbers, e-mail addresses and 24-hour contact numbers for all key project personnel.
- D. A Submittal Log (including all critical dates) shall be submitted at the preconstruction conference. The Submittal Log shall be in accordance with the procedures outlined in the Specifications, and materials shall be listed in the Approved Materials list contained therein.
- E. Substitution requests, if any.
- F. Contractor's Schedule of Values.

## **5.7. QUALIFICATIONS OF SITE SUPERINTENDENT**

The Contractor shall employ a construction superintendent or foreman, who shall be present onsite during normal working hours for the duration of the project. The Contractor shall not substitute another construction superintendent or foreman without written authorization from MTS.

The construction superintendent or foreman shall have full authority to act for the Contractor. The construction superintendent or foreman shall have at least five (5) years' experience in Public Works construction. The construction superintendent or foreman shall also have successfully and competently worked as the construction superintendent or foreman on at least one similar size Public Works project within the past five (5) years.

Prior to issuance of the Notice to Proceed, the Contractor shall submit evidence that the proposed construction superintendent or foreman has the above qualifications. Such evidence shall include project names, project owners with reference contact information, a brief description of the project, and constructed cost.

## **5.8. PROGRESS MEETINGS**

- A. MTS will schedule and administer meetings throughout progress of the Work at a maximum interval of every two (2) weeks.
- B. MTS will make arrangements for meetings, prepare agenda with copies for participants, and preside at meetings.
- C. Attendance Required: Job superintendent, major subcontractors and suppliers, MTS, Engineer, as appropriate to agenda topics for each meeting.
- D. The scheduled progress meetings may include but are not limited to the following agenda items:

- i. Review minutes of previous meetings.
  - ii. Review of submittals schedule and status of submittals.
  - iii. Review of off-site fabrication and delivery schedules.
  - iv. Field observations, problems, and decisions.
  - v. Non-compliant Work.
  - vi. Maintenance of quality and work standards.
  - vii. Safety and job cleanliness.
  - viii. Review of Work progress and schedule.
  - ix. Planned progress during succeeding work period (i.e. "Look-Ahead Schedules").
  - x. Corrective measures to regain projected schedules.
  - xi. Shutdowns.
  - xii. Requests for Information.
  - xiii. Change Orders.
  - xiv. Other business relating to the Work.
- E. MTS will record minutes and distribute copies after meeting to participants and those affected by decisions made.
- F. Facility shutdown planning meetings will be conducted in addition to regularly scheduled progress meetings.

## **5.9. CONSTRUCTION SEQUENCE**

Work to be done requires specific installation sequencing to maintain service to customers during all phases of construction. Contractor and MTS shall closely coordinate the necessary shutdowns, which shall be performed by MTS crews. Contractor shall submit for approval the sequence of work.

Contractor shall prepare detailed, hour-by-hour work plan for the duration of any work activities that would require a shutdown, to be approved by MTS prior to initiating shutdown of any systems.

### **STANDARD WORK WINDOWS**

WEEKDAY WORK IS TO BE PERFORMED BETWEEN TRAINS FROM 7:00 AM TO 3:30 PM.

WEEKDAY NON-REVENUE SERVICE WILL BE FROM 1:30 AM TO 4:00 AM - (TUESDAY THROUGH SATURDAY).

SATURDAY WORK IS TO BE PERFORMED BETWEEN TRAINS FROM 8:00 AM TO 4:00 PM.

SATURDAY NON-REVENUE SERVICE WILL BE FROM 1:30 AM TO 4:30 AM – (SUNDAY).

SUNDAY WORK IS TO BE PERFORMED BETWEEN TRAINS FROM 8:00 AM TO 4:00 PM.

SUNDAY NON-REVENUE SERVICE WILL BE FROM 12:00 AM TO 4:00 AM – (MONDAY).

#### **5.10. DOCUMENTATION OF EXISTING CONDITIONS**

Prior to construction, Contractor shall prepare a video recording, complete with verbal commentary, showing the pre-construction conditions in and near the work locations contemplated by this contract. The video recording shall note, at a minimum, the appearance, condition and location of existing pavements and surface features, other public or private improvements, and utility mark outs. Contractor shall provide a copy of the video recording to MTS prior to the start of construction.

#### **5.11. SAFETY DATA SHEET (SDS)**

Upon award, Contractors shall email the SDS for materials/ chemicals that will be used or stored at the construction site during the duration of the project, attention Ngan Nguyen, MTS Environmental Health and Safety Specialist at [Ngan.Nguyen@sdmts.com](mailto:Ngan.Nguyen@sdmts.com) for review or comment if needed. The Contractor shall notify the MTS Environmental Health and Safety Specialist if there are changes or updates to the SDS during the term of the contract to ensure the MTS recordkeeping is kept updated throughout the contract. Any disposal of hazardous waste must be communicated to MTS Environmental Health and Safety Specialist for approval prior to disposal.

#### **5.12. ENVIRONMENTAL PROTECTIONS**

Contractor shall promptly supply MTS with copies of all notices, reports, correspondence, and submissions made by Contractor to the United States Environmental Protection Agency, the United States Occupational Safety and Health Administration, California Department of Toxic Substances Control, San Diego Regional Water Quality Control Board, or any other local, state, or federal authority which requires submission of any information concerning environmental matters.

#### **5.13. WATER QUALITY MANAGEMENT AND COMPLIANCE**

- A. Contractor must recover and legally dispose of all wastewaters created while providing Services. Contractor assumes any and all risks and liabilities arising from the failure to properly recover and legally dispose of wastewater. Contractor must implement best management practices set forth in any storm water pollution prevention plan relevant to the provision of the Services.
- B. Compliance with Water Quality Laws, Ordinances and Regulations. Contractor shall keep itself and all subcontractors, staff, and employees fully informed of and in compliance with all local, state and federal laws, rules and regulations that may impact, or be implicated by the performance of the Services including, without limitation, all applicable provisions of the Federal Water Pollution Control Act (33 U.S.C. § 1251, et seq.); the California Porter-Cologne Water Quality Control Act (Water Code § 13000 et seq.); and any and all regulations, policies, or permits issued pursuant to any such authority. Contractor shall additionally comply with the lawful requirements of the San Diego Regional Water Quality Control Board, any municipality, drainage district, or other local agency with jurisdiction over the location where the Services are to be conducted, regulating water quality and storm water discharges and shall implement best management practices, consistent with the requirements of any board, municipality,

drainage district or other local agency appropriate for the control of discharges related to the Services.

- C. **Standard of Care.** Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the work assigned to them without impacting water quality in violation of the laws, regulations and policies described in this Section. Contractor further warrants that it, its employees and subcontractors have or will receive adequate training, as determined by MTS, regarding these requirements as they may relate to the Services.

- D. **Liability for Non-compliance.**

- i. **Indemnity:**

Failure to comply with laws, regulations, and ordinances listed in this Section may constitute a violation of federal and state law. Notwithstanding any other indemnity contained in this Agreement, Contractor agrees to indemnify, defend and hold harmless MTS, its officials, officers, agents, employees and authorized volunteers from and against any and all claims, demands, losses or liabilities of any kind or nature which MTS, its officials, officers, agents, employees and authorized volunteers may sustain or incur for noncompliance with the laws, regulations, and ordinances listed above, including but not limited to any failure by Contractor to implement best management practices set forth in any stormwater pollution prevention plan, arising out of or in connection with the Services, except for liability resulting from the sole established negligence, willful misconduct or active negligence of MTS, its officials, officers, agents, employees or authorized volunteers. Contractor is solely liable for any administrative or civil enforcement action arising from Contractor's failure to comply with the laws, regulations, and ordinances listed in this Section and must pay any monetary penalty, fine, or damages associated with such action.

- ii. **Defense**

MTS reserves the right to defend any enforcement action or civil action brought against MTS for Contractor's failure to comply with any applicable water quality law, regulation, or policy. Contractor hereby agrees to be bound by, and to reimburse MTS for the costs associated with, any settlement reached between MTS and the relevant enforcement entity.

- iii. **Damages**

MTS may seek damages from Contractor for delay in completing the Services caused by Contractor's failure to comply with the laws, regulations and policies described in this Section, or any other relevant water quality law, regulation, or policy.

#### **5.14. HAZARDOUS SUBSTANCES**

- A. As used in this section, the term "Hazardous Substances" means:

- i. Any substance designated pursuant to Section 1321(b)(2)(A) of Title 33 of the United States Code;



- ii. Any element, compound, mixture, solution, or substance designated pursuant to 42 U.S.C. § 9602;
  - iii. Any hazardous waste having the characteristics identified under or listed pursuant to 42 U.S.C. § 6921;
  - iv. Any toxic pollutant listed under 33 U.S.C. § 1317(a);
  - v. Any imminently hazardous chemical substance or mixture with respect to which the Administrator of the United States Environmental Protection Agency has taken action pursuant to 15 U.S.C. § 2606;
  - vi. Any hazardous waste or extremely hazardous waste as defined by California Health and Safety Code sections 25117 and 25115, respectively.
- B. Contractor shall promptly notify MTS of any release, spill, leak, emission, discharge, escape, leaching, dumping, or disposal of Hazardous Substances on, at, or near MTS property.
- C. Contractor shall conduct and complete all investigations, studies, sampling, testing procedures, remediation, removals, and other actions necessary to clean up and remove Hazardous Substances on, from, or affecting MTS property as a result of Contractor's use of Hazardous Substances or noncompliance with Sections A (i) or A (iv) herein.
- D. Contractor shall promptly supply MTS with copies of all notices, reports, correspondence, and submissions made by Contractor to the United States Environmental Protection Agency, the United States Occupational Safety and Health Administration, California Department of Toxic Substances Control, San Diego Regional Water Quality Control Board, or any other local, state, or federal authority which requires submission of any information concerning Hazardous Substances.
- E. Contractor shall be liable for all costs, expenses, losses, damages, injuries, claims, cleanup costs, penalties, assessments, or fines arising from Contractor's use of Hazardous Substances or noncompliance with Sections A (i) or A (iv) herein.
- F. Contractor and its successors, assigns, and guarantors, if any, jointly and severally agree to protect, indemnify, defend, reimburse, and hold harmless MTS and its officers, employees, and agents from any costs, expenses, losses, damages, injuries, claims, cleanup costs, penalties, assessments, or fines arising from Contractor's use of Hazardous Substances or noncompliance with Sections A (i) or A (iv) herein.

#### **5.15. ROADWAY WORKERS PROTECTION**

Prior to entering the MTS railroad operating corridor, all workers of Contractor, sub-Contractors, and any other third-party contractor under Contractor's control working on MTS property shall have taken and passed a four (4) hour "Roadway Workers Protection" training course as required by the Federal Railroad Administration (FRA) California Public Utilities Commission (CPUC). Training courses are valid for one year from date issued. Contractor should allow at least two weeks to schedule training prior to commencement of services on the right of way (ROW). Registration for the course can be found online at: <https://www.sdmts.com/business-center/permits/safety-training>. Any costs related to RWP training courses shall be at the sole expense of the Contractor.

**5.16. FLAGGING**

Any work within fifteen (15) feet of active rail, or as otherwise identified by MTS, shall require an MTS flagger. An MTS Flagger Request form must be submitted to [FlagRequest@sdmts.com](mailto:FlagRequest@sdmts.com) no later than 72 hours prior to the commencement of the work. The MTS Flagger Request shall include: the specific location, time(s) and date(s) for when an MTS flagger(s) will be necessary. The MTS Flagger will be provided at the expense of the party requesting the work. The requester will be responsible to contact SDTI Assignment Office at (619) 595-4956 no later than 24 hours prior to beginning of work for all cancellations and may be subject to SDTI labor reporting costs.

**5.17. [NOT APPLICABLE] SIGNALING MARK-OUT****5.18. [NOT APPLICABLE] BRAND OR TRADE NAMES****5.19. [NOT APPLICABLE] PROJECT RETENTION, SUBSTANTIAL****5.20. CLEAN CALIFORNIA LOCAL GRANT PROGRAM REQUIRED THIRD PARTY CONTRACT CLAUSES**

This contract is funded by CALTRANS Clean California Local Grant Program. Contractor and any Subcontractors on this Project are required to comply with the following:

**A. Nondiscrimination**

Contractors and its subcontractors shall not deny the contract's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status.

Contractors and its subcontractors shall also give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

The Contractor agrees to include the above clause in each subcontract.

**B. Mandatory Organic Waste Recycling**

Pursuant to Public Resources Code Sections 42649.8 et seq., if Contractor generates two (2) cubic yards or more of organic waste or commercial solid waste per week in performance of this Contract, Contractor shall arrange for organic waste or commercial waste recycling services that separate/source organic waste for organic waste recycling. Contractor shall provide MTS and/or CALTRANS proof of compliance, i.e., organic waste recycling services or commercial waste recycling services that separate/source organic waste recycling.

**C. Educational Programming**

If applicable, Contractor shall provide MTS a sublicensable, irrevocable, perpetual, royalty-free, unlimited, worldwide license to prepare derivative works, make, publish, display, and

distribute two-dimensional reproductions and/or copies, digitally and in print, of the educational programming created or produced for this Contract, or derivatives thereof, for non-commercial purposes or any State government purposes. This includes, but is not limited to, reproductions used in brochures, media publicity, public outreach campaigns (including television and social media campaigns), education, exhibition catalogues or other similar publication. Contractor shall provide MTS any and all other intellectual property rights necessary.

To the extent any logos, including trademarks or service marks, are used on educational programming created or produced for this Contract, Contractor agrees to grant MTS and Caltrans all necessary rights to use and allow agents of CALTRANS to use the logos in connection with use of the educational programming for non-commercial purposes or State government purposes. This includes but is not limited to reproductions used in brochures, media publicity, public outreach campaigns (including television and social media campaigns), education and exhibition catalogues or other similar publication.

Contractor must place a disclaimer statement in a conspicuous manner on the educational programming created or produced for this Contract a disclaimer that states the content of the educational programming does not reflect the official views or policies of MTS or CALTRANS. The educational programming does not constitute a standard, specification, or regulation.

#### D. Artwork

If applicable, Contractor, or any other copyright owner(s) of Artwork, shall grant MTS and CALTRANS a sublicensable, irrevocable, perpetual, royalty-free, unlimited, worldwide license to prepare derivative works, make, publish, display, and distribute two-dimensional reproductions and/or copies, digitally and in print, of Artwork created or produced for Project under this RGA, or derivatives thereof, for non-commercial purposes or any State government purposes. This includes, but is not limited to, reproductions used in brochures, media publicity, public outreach campaigns (including television and social media campaigns), education, and exhibition catalogues or other similar publication. Contractor shall grant MTS any and all other intellectual property rights necessary.

Contractor must place a disclaimer statement in a conspicuous manner on or in close proximity to the Artwork created or produced for this Contract a disclaimer statement that the contents of the artwork do not reflect the official views or policies of MTS or CALTRANS.

#### E. Government Purpose Rights for Inventions

Inventions are any idea, methodologies, design, concept, technique, invention, discovery, improvement, or development regardless of patentability made solely by Contractor and its subcontractors in performance of any work and during the term under this Contract. If applicable, Contractor and its subcontractors shall provide MTS and CALTRANS Government Purpose Rights to any inventions created as a result of the Contract. "Government Purpose Rights" are the unlimited, irrevocable, worldwide, perpetual, royalty-free, non-exclusive rights, and licenses to use, modify, reproduce, perform, release, display, create derivative works from, and disclose any said invention. "Government Purpose Rights" also include the right to release or disclose said invention(s) outside MTS and CALTRANS for any State government purpose and to authorize recipients to use, modify, reproduce, perform, release, display, create derivative works from, and disclose the invention(s) for any State government purpose.

“Government Purpose Rights” do not include any rights to use, modify, reproduce, perform, release, display, create derivative works from, or disclose the invention(s) for any commercial purpose.

F. Intellectual Property

If applicable, Contractor and any subcontractors shall grant the rights necessary to MTS and CALTRANS to allow for use of the intellectual property in a fashion similar to other rights for non-commercial uses and State government purposes.

If additional uses are reasonably determined to be needed for public outreach purposes, Contractor shall grant MTS and CALTRANS obtain rights and grant its agents said additional rights for use of the “Before” and “After” Project photos, Artwork created or produced for this Contract, and educational programming created or produced for this Contract. The grant will be an irrevocable, non-exclusive, perpetual, royalty-free, sublicensable, unlimited, worldwide license. As requested by MTS, all reproductions and/or copies of “Before” or “After” Project photographs, educational programming, and Artwork shall contain a credit to the Artist/ Copyright owner(s) and a copyright notice in substantially the following form: © [Artist/Copyright owner’s name, date of publication].

In performing services under this Contract, Contractor and its Subcontractor shall agree to avoid designing or developing any items that infringe one (1) or more patents or other intellectual property rights of any third party. If Contractor and its Subcontractors becomes aware of any such possible infringement in the course of performing any work under this RGA, immediate notification to MTS in writing is required.

## **6. ATTACHMENTS/DRAWINGS**

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SEE ATTACHMENT 2 SUBCONTRACTORS

SEE ATTACHMENT 3 PROJECT LABOR AGREEMENT (PLA)

# **EXHIBIT C**

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**SEE ATTACHMENT 4 - BID PRICE FORM**

## **BID PRICE FORM**

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Read the attached General Provisions carefully. They are a part of your bid.

Bidders shall submit pricing to provide the services for all the work described in Scope of work/Technical Specifications using the provided bid price form.

Bidders must complete bid price forms as provided, failure to do so will deem the bid non-responsive.

Unit prices will prevail regardless of extensions submitted by the Bidder.

This all-inclusive pricing must include the costs for the bid bond, performance & payment bonds, and insurance. MTS will not pay additional costs, or separate costs for these.

**Bidder accepts responsibility for accuracy and presentation of the numbers included in the bid price form.**

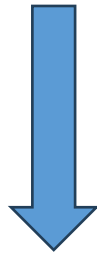
# **EXHIBIT D**

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## **FORMS**



**RETURN ALL THESE FORMS WITH  
YOUR BID**



## 7. FORMS

---

The following forms/information are required to be submitted with your bid as a matter of responsiveness.

All bids (and accompanying information) must be received by MTS' Procurement Department prior to the scheduled time and date as specified in the Calendar of Events.

The submitted bid must follow instructions as specified in Submission Requirements Section.

**As part of the submittal, Bidder to include copies of Prime and all subcontractors:**

- A. License copies or printouts from <https://www.cslb.ca.gov/>
- B. Public Works & Prevailing Wage Contractor Registration from <https://cadir.my.salesforce-sites.com/ContractorSearch>.

Please note that there are several forms that not only must be completed by the bidder (i.e. prime contractor) but also should be completed by all subcontractor/s.

**The bid forms that must be completed by both the bidder and proposed subcontractors include:**

- A. MTS DBE Program – Information for Bidder List and Commercial Useful Function; and
- B. Certification Regarding Debarment, Suspension and Other Ineligible and Voluntary Exclusions Lower Than Tier Covered Transactions

**CONTACT INFORMATION**

---

Company Information:

---

The Official, Legal Name of Bidding Firm:

Doing Business As:

Legal Structure (Corp./Partner/Proprietor):

Company Mailing Address:

Street

City

State

Zip

Person Authorized to sign:

---

Point of Contact:

Title:

E-Mail Address:

Phone Number:

Accounts Receivable

---

Point of Contact:

Title:

E-Mail Address:

Phone Number:

Labor Compliance

---

Point of Contact:

Title:

E-Mail Address:

Phone Number:

## EXPERIENCE AND TECHNICAL QUALIFICATIONS QUESTIONNAIRE

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The Bidder shall identify the key personnel to be assigned to this project in a management, construction supervision or engineering capacity. In this packet, the bidder shall identify the point of contact that will fulfil the *Supervision and Superintendence* Clause in the General Conditions.

The Bidder may provide a current resume for each key personnel that is fully responsive to each question below:

- A. List each person's name and job title to be assigned to this project:
- B. Summarize each person's specialized education and/or experience:
- C. List each person's years of construction experience relevant to the project:

Bidder agrees that personnel named in this Bid will remain on this project in their designated capacities until completion of all relevant Work, unless replaced by personnel of equivalent experience and qualifications approved in advance by MTS.

### **Additional Bidder's Statements:**

If Bidder feels that there is additional information which has not been included in the questionnaire above, and which would contribute to the qualification review, it may add that information in a statement here or on an attached sheet, appropriately marked. By submitting this sheet as a cover sheet along with the required documentation as stated above I certify this documentation is accurate and correct.

**BIDDER INFORMATION AND EXPERIENCE FORM**

**\*\*\*Indicate not applicable (“N/A”) where appropriate\*\*\***

1. Information about Bidder:

Failure to complete all information may render your bid non-responsive.

NOTE: Where Bidder is a joint venture, pages shall be duplicated and information provided for all parties to the joint venture.

How many years has Bidder’s organization been in business as a Contractor?

---

How many years has Bidder’s organization been in business under its present name?

---

Under what other or former names has Bidder’s organization operated?

---

If Bidder’s organization is a corporation, answer the following:

Date of Incorporation:

---

State of Incorporation:

---

President’s Name:

---

Vice-President’s Name(s):

---

Secretary’s Name:

---

Treasurer’s Name:

---

2. If an individual or a partnership, answer the following:

A. Date of Organization:

---

B. Name and address of all partners (state whether general or limited partnership):

| Name | Address |
|------|---------|
|      |         |
|      |         |
|      |         |
|      |         |

3. If other than a corporation or partnership, describe organization and name principals:

Not Applicable – is classified as a corporation/partnership. ☐

Applicable, see explanation below: ☐

4. What type of work does the Bidder normally perform with its own forces?

5. Has Bidder ever failed to complete any work awarded to it? If so, in a separate attachment note when, where, and why:

Yes, attached separately as file name or page numbers reference below: ☐

\_\_\_\_\_  
Not Applicable ☐

6. Within the last five years, has any officer or partner of Bidder’s organization ever been an officer or partner of another organization when it failed to complete a contract? If so, attach a separate sheet of explanation:

Yes, attached separately as file name or page numbers reference below: ☐

\_\_\_\_\_  
Not Applicable ☐

7. Name of Bonding Company and Name and Address of Agent:

Bonding Company Name

Agent Address:

8. List a minimum of three Industry References:

| Reference<br>Agency/Company Name | Points of Contact, Email & Phone<br>Number | Project Name |
|----------------------------------|--------------------------------------------|--------------|
|                                  |                                            |              |
|                                  |                                            |              |
|                                  |                                            |              |
|                                  |                                            |              |
|                                  |                                            |              |

9. As a separate attachment list completed and current projects over the last three years. Include only projects that are similar in size/scope and complexity to the work. Indicate the contact name, email and phone number of the point of contact for each project.

Yes, attached separately as file name or page numbers reference below: ☐

\_\_\_\_\_

## DESIGNATION OF SUBCONTRACTORS

---

Bidders must complete Attachment 2 – Subcontractors List. If there are no subcontractors, Bidders should mark as “Not Applicable” and submit this form with the bid.

Any time there is a change to a Subcontractor, Contractor shall resubmit this attachment.

Any change to these forms after bid submittal must be made in accordance with Public Contract Code sections 4100 et seq., as applicable, and as permitted by MTS.

In compliance with the Subletting and Subcontracting Fair Practices Act of the Public Contract Code of the State of California, sections 4100 et seq., each bidder shall specify each subcontractor who will perform work or labor or render service to the Contractor in or about the construction of the work in an amount in excess of one-half of one percent (1/2%) of the Grand Total Basis of Award.

In addition, pursuant to Labor Code sections 1725.5 and 1771.1, each bidder shall specify the Department of Industrial Relations registration number of each subcontractor.

**No bid will be accepted, nor any contract entered into without proof of the subcontractors’ current registration with the Department of Industrial Relations to perform public work.**

**As part of the submittal, Bidder to include copies of all subcontractors:**

- A. License copies or printouts from <https://www.cslb.ca.gov/>
- B. Public Works & Prevailing Wage Contractor Registration from <https://cadir.my.salesforce-sites.com/ContractorSearch>.



## MTS DBE PROGRAM - INFORMATION FOR BIDDER LIST & COMMERCIAL USEFUL FUNCTION

MTS is required by Disadvantaged Business Enterprise (DBE) Regulations at 49 CFR Part 26 to collect and report data about DBE and non-DBE contractors and subcontractors who seek to work on MTS's projects. MTS may also use this data to set MTS's overall DBE goals and to assist in monitoring commercial useful function in order to count DBE participation toward meeting MTS's overall DBE goals.

INSTRUCTIONS: Each prime contractor and each subcontractor bidding/submitting a proposal is **required** to complete this form as part of their bid or proposal. If multiple subcontractors, copy this form.

|                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Firm Name:                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 2. Firm's Full Address (street, city, state, and zip code):                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 3. NAICS code for work seeking to perform:                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 4. If applicable, please check any certification that your firm currently maintains:                                                                                                                                       | <input type="checkbox"/> DBE<br><input type="checkbox"/> SB – Small Business<br><input type="checkbox"/> DVBE – Disabled Veteran Owned Business<br><input type="checkbox"/> LGBTBE – LGBT Owned Business<br><input type="checkbox"/> MBE – Minority Owned Business<br><input type="checkbox"/> PDBE – Persons with Disability Owned Business<br><input type="checkbox"/> WBE – Woman Owned Business                                                                             |
| 5. Only if DBE certified firm, please check one (1) type of work your firm is seeking to perform on this bid/proposal (as defined at enclosed MTS DBE Program: Commercial Useful Function – Guidance for DBE Contractors): | <input type="checkbox"/> Construction/Maintenance Services<br><input type="checkbox"/> Professional Services<br><input type="checkbox"/> Other Services – e.g. broker<br><input type="checkbox"/> Manufacturer of Materials/Supplies<br><input type="checkbox"/> Regular Dealer of Materials/Supplies<br><input type="checkbox"/> Distributer of Materials/Supplies<br><input type="checkbox"/> Other (not listed above) Material Supplier<br><input type="checkbox"/> Trucking |
| 6. Year firm was established:                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 7. Please check your firm's applicable annual gross receipt range:                                                                                                                                                         | <input type="checkbox"/> Less than \$1,000,000<br><input type="checkbox"/> \$1,000,001 - \$15,000,000<br><input type="checkbox"/> \$15,000,001 - \$30,720,000<br><input type="checkbox"/> \$30,720,001 - \$50,000,000<br><input type="checkbox"/> Greater than \$50,000,000                                                                                                                                                                                                     |

### SIGNATURE ACKNOWLEDGES AND AFFIRMS ACCURACY OF COMPLETED FORM

#### SUBCONTRACTOR

Signature: \_\_\_\_\_

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

#### PRIME CONTRACTOR

Signature: \_\_\_\_\_

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

**MTS DBE PROGRAM**  
**Commercial Useful Function (CUF) – Guidance for DBE Contractors**

Per FTA DBE Regulations at 49 CFR Part 26, to meet Commercial Useful Function requirements in order for MTS to count the participation of a DBE prime or DBE subcontractor towards its DBE Overall Goal, the **DBE prime or DBE subcontractor must:**

- 1) Be responsible for execution of the work of the contract and is carrying out its responsibilities by performing, managing, and supervising the work involved;
- 2) Not be an extra participant in a transaction, contract, or project through which funds are passed in order to obtain the appearance of DBE participation;
- 3) Perform or exercise responsibility for at least 30% of the total cost of its contract with its own work force; and
- 4) Depending on the type of work being performed, meet the definitions of the Table below.

| <b>Type of Work Performed</b>                                                                                  | <b>Definitions</b>                                                                                                                                                                                                          | <b>Counting Rules of DBE Prime or DBE Subcontract Dollar Value</b>                                                   |
|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| 1a. <u>Construction /Maintenance Services – Supplies</u> purchased or leased equipment from a third-party      | Responsible, with respect to materials and supplies used on the contract, for negotiating price, determining quality and quantity, ordering the material, and installing (if applicable) and paying for the material itself | Count 100%                                                                                                           |
| 1b. <u>Construction /Maintenance Services – Supplies</u> purchased or leased equipment from a prime contractor |                                                                                                                                                                                                                             | Count only labor costs (exclude cost of material, supplies, equipment purchased/leased from prime or its affiliates) |
| 2a. <u>Professional Services – Bona Fide Services</u>                                                          | E.g. professional, technical, architectural and engineering, managerial, providing bonds, or insurance                                                                                                                      | Count 100%                                                                                                           |
| 2b. <u>Services – Other</u>                                                                                    | E.g. brokers, packagers, manufacturer's reps., (arrange or expedite the procurement of goods and services)                                                                                                                  | Count fees or commissions related to assistance only (exclude cost of service itself)                                |
| 3a. <u>Materials and Supplies</u>                                                                              | Owns (or leases) and operates a factory or establishment that produces, on the premises, the materials, supplies, articles, or equipment required                                                                           | Count 100%                                                                                                           |

| Type of Work Performed                                | Definitions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Counting Rules of DBE Prime or DBE Subcontract Dollar Value                                                                                                                                |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| – Manufacturer                                        | under the contract and of the general character described by the specifications. Manufacturing includes blending or modifying raw materials or assembling components to create the product to meet contract specifications. Not a manufacturer if only does minor modifications to materials.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                            |
| 3b. <u>Materials and Supplies</u><br>– Regular Dealer | <p>Owens (or leases) and operates, a store, warehouse or other establishment in which materials, supplies, articles or equipment of the “general character” required under the contract are bought, kept in sufficient quantities, and regularly sold or leased to the public in the usual course of business. Items kept and regularly sold by the DBE are of the “general character” when they share the same material characteristics and application as the items specified by the contract.</p> <p>Engages, as its principal business and under its own name, in the purchase and sale or lease of the products in question. At least 51% of the items on the contract are provided from its inventory, and when necessary, any minor quantities delivered from and by other sources are of the “general character” as those provided from the DBE’s inventory.</p> <p>Both owns and operates distribution equipment used to deliver the products for bulk items (e.g. as petroleum products, steel, concrete or concrete products, gravel, stone, or asphalt) without owning, operating, or maintaining a place of business. Any supplementing of own distribution equipment must be by a long-term operating lease.</p> <p>Includes a supplier of items that are not typically stocked due to their unique characteristics (e.g. limited shelf life or items ordered to specification)</p> | Count 60% of cost of materials or supplies (including transportation costs)                                                                                                                |
| 3c. <u>Materials and Supplies</u><br>– Distributor    | Neither maintains sufficient inventory nor uses its own distribution equipment for the products in question. Engages in the regular sale or lease of items specified by the contract. Assumes responsibility for the items it purchases once they leave the point of origin (e.g. a manufacturer’s facility) making it liable for any loss or damage not covered by the carrier’s insurance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Count 40% of the cost of materials or supplies (including transportation costs)                                                                                                            |
| 3d. <u>Materials and Supplies</u><br>– Other          | Packagers, brokers, manufacturers’ representatives, or other persons who arrange or expedite transactions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Count the entire amount of fees or commissions charged for assistance in the procurement of the materials and supplies, or fees or transportation charges for the delivery of materials or |

| Type of Work Performed                                       | Definitions                                                                                                                                                                                                                                                                                                                                   | Counting Rules of DBE Prime or DBE Subcontract Dollar Value                                          |
|--------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
|                                                              |                                                                                                                                                                                                                                                                                                                                               | supplies required on a job site (exclude cost of the materials and supplies themselves)              |
| 4a. <u>Trucking</u><br>= Owned and Operated                  | Responsible for management and supervision of entire trucking operation on the contract. Owns and operate at least 1 fully licensed, insured, and operational truck used on the contract, using drivers it employs.                                                                                                                           | Count credit for the total value of the transportation services provided on the contract.            |
| 4b. <u>Trucking</u><br>= Leased Trucks from another DBE firm | Owned and operates leased trucks from another DBE firm, including an owner-operator who is a DBE. Lease must indicate that the DBE has exclusive use of and control over the truck. Does not preclude the leased truck from working for others during the lease with the consent of the DBE, so long as lease gives the DBE absolute priority | Count credit for the total value of the transportation services the lessee provided on the contract. |

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER  
INELIGIBLE AND VOLUNTARY EXCLUSIONS LOWER THAN TIER  
COVERED TRANSACTIONS**

**CONTRACTOR AND SUBCONTRACTOR'S STATEMENT OF ELIGIBILITY**

**\*\*\*(Bidder to provide one completed Form for the Prime Contractor and any Subcontractors)\*\*\***

MTS may not permit a contractor or subcontractor to bid on, be awarded, or perform work on a public works project if the contractor or subcontractor is ineligible to bid on, be awarded or perform work on a public works project pursuant to California Labor Code sections 1777.1 or 1777.7.

The prime/subcontractor certifies or affirms the truthfulness and accuracy of the contents of the statements submitted on or with this certification.

**QUESTIONNAIRE**

Has the Contractor, or any officer, principal, affiliates or employee of the Contractor ever been debarred, suspended, proposed for debarment, declared ineligible or otherwise prevented from bidding on, or completing a federal, state, or local government project? ☐ **Yes**  
☐ **No**

If the answer is yes, or where the prime/subcontractor is unable to certify any of the statements in the above certifications, such prime/subcontractor shall attach an explanation (i.e. date, background, resolution) with this form.

**Note:** Failure to provide this form at the time of Bid will not result in a finding of a non-responsive bid. Submittal of this form for The Prime Contractor and all Subcontractors is required for a Bidder to be deemed "Responsible." MTS encourages Bidders to complete and submit all forms at the time of bid.

**SUBCONTRACTOR**

(Copy this form if needed for additional subcontractors)

Business Name: \_\_\_\_\_  
License No. \_\_\_\_\_  
(if applicable): \_\_\_\_\_  
DUNS No.: \_\_\_\_\_

**PRIME CONTRACTOR**

Business Name: \_\_\_\_\_  
License No. \_\_\_\_\_  
(if applicable): \_\_\_\_\_  
DUNS No.: \_\_\_\_\_

**ACKNOWLEDGED AND AGREED**

Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Date: \_\_\_\_\_

Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Date: \_\_\_\_\_

**FINANCIAL QUESTIONNAIRE FORM**

---

1. This organization is organized under the laws of the State of: \_\_\_\_\_

2. Principal Financial institution. The information bellow will be used to assess financial responsibility.

Name of Bank: \_\_\_\_\_

Address: \_\_\_\_\_

Street

City State Zip

Telephone: \_\_\_\_\_

Officer Familiar with Bidder's Account: \_\_\_\_\_

3. Business License

**NOTE:** The representations regarding the Bidder's license are made under penalty of perjury.

Contractor's License No.: \_\_\_\_\_

Original Date Issued: \_\_\_\_\_

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

---

Bidder's DUNS No.: \_\_\_\_\_

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

---

Bidder's System for Award  
Management (SAM) No.: \_\_\_\_\_

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

4. The date of any voluntary or involuntary bankruptcy judgments against any principal having an interest in this bid are as follows:

Not Applicable – is classified as a corporation/partnership. ☐

Applicable, see explanation below: ☐

Date

5. All current and prior DBAs, alias, and/or fictitious business names for any principal having an interest in this bid are as follows:

Not Applicable – is classified as a corporation/partnership. ☐

Applicable, see explanation below: ☐

6. Has Bidder ever failed to complete any work awarded to it? If so, when, where, and why?

Not Applicable – is classified as a corporation/partnership. ☐

Applicable, see explanation below: ☐

7. Identify any conditions bankruptcy, pending litigation, planned office closures, impending merger:

Not Applicable – is classified as a corporation/partnership. ☐

Applicable, see explanation below: ☐

**CALIFORNIA PUBLIC RECORD ACT (PRA) ACKNOWLEDGEMENT**

I/We hereby represent, acknowledge, and agree as follows:

- 1. MTS is a California public agency established by California Public Utilities Code, Section 120000. et seq., and is subject to the California Public Records Act (Government Code sec. 6250 et seq.) which provides generally that all records relating to a public agency's business are open to public inspection unless exempted from disclosure by law.
- 2. The bid I/we have submitted to MTS is open to public inspection under the PRA unless it is exempted from disclosure by law.
- 3. To the extent the bid includes materials that I/we believe are exempt from disclosure under PRA, I/we understand that I/we must provide a letter identifying the materials that I/we believe are exempt from disclosure and explaining the basis for exemption.
- 4. Any materials not identified as exempt from disclosure are open to public inspection, and I/we waive any right to subsequently claim exemption from disclosure for such materials.
- 5. MTS at all times retains the right to make the final determination regarding what, if any, portion of a bid is subject to disclosure under PRA.
- 6. Use of headers/footers bearing designations such as "confidential", "proprietary", or "trade secret" on all or nearly all of a bid which would prohibit or limit public inspection is not acceptable and may deem the bid non-responsive and may be rejected; labeling a page as such does not prohibit MTS from disclosing the page in response to a PRA response or in the ordinary course of business if MTS concludes it is obligated to so by applicable law.
- 7. To defend and indemnify MTS in any action on a PRA request for any of the contents of a Bid marked trade secret, confidential or proprietary.
- 8. Marking a document as "trade secret", "confidential" or "proprietary" without the express written permission of MTS does not exempt a document from disclosure to third parties under state or federal law, or in the normal course of MTS's business operations. MTS has no obligation to get a respondent's permission before producing such documents.
- 9. The bid I/we have submitted (*check one of the following*) materials INCLUDES ☐  
that we believe are exempt from disclosure under the PRA. DOES NOT INCLUDE ☐

**ACKNOWLEDGED AND AGREED**

Company Name:

Title:

Signature:

Date:



**NONCOLLUSION DECLARATION**

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TO BE EXECUTED BY BIDDER AND SUBMITTED WITH OFFER

(23 U.S.C. § 112(c) and California Public Contract Code § 7106)

The undersigned declares:

I am the \_\_\_\_\_ of \_\_\_\_\_, the party making the foregoing offer.

The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid. The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on \_\_\_\_\_(date), at \_\_\_\_\_(city), \_\_\_\_\_(state).

**ACKNOWLEDGED AND AGREED**

Name of Contractor: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Date: \_\_\_\_\_

**FLEET COMPLIANCE CERTIFICATION**

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Bidder hereby acknowledges that they have reviewed the California Air Resources Board’s policies, rules and regulations and are familiar with the requirements of Title 13, California Code of Regulations, Division 3, Chapter 9, effective on January 1, 2024 (the “Regulation”). Bidder hereby certifies, subject to penalty for perjury, that the option checked below relating to the Bidder’s fleet, and/or that of their subcontractor(s) (“Fleet”) is true and correct:

- ☐ The Fleet is subject to the requirements of the Regulation, **and the appropriate Certificate(s) of Reported Compliance have been attached hereto.**
- ☐ The Fleet is exempt from the Regulation under section 2449.1(f)(2), and a signed description of the subject vehicles, and reasoning for exemption has been attached hereto.
- ☐ Bidder and/or their subcontractor is unable to procure R99 or R100 renewable diesel fuel as defined in the Regulation pursuant to section 2449.1(f)(3). Bidder shall keep detailed records describing the normal refueling methods, their attempts to procure renewable diesel fuel and proof that shows they were not able to procure renewable diesel (i.e. third-party correspondence or vendor bids).
- ☐ The Fleet is exempt from the requirements of the Regulation pursuant to section 2449(i)(4) because this Project has been deemed an Emergency, as defined under section 2449(c)(18). Bidder shall only operate the exempted vehicles in the emergency situation and records of the exempted vehicles must be maintained, pursuant to section 2449(i)(4).
- ☐ The Fleet does not fall under the Regulation or are otherwise exempted, and a detailed reasoning is attached hereto.

**Did you attach the appropriate Certificate(s) of Reported Compliance?**      Yes ☐      No ☐

Company Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

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

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

**IRAN CONTRACTING ACT CERTIFICATION**

**(Public Contract Code Section 2200 *et seq.*)**

As required by California Public Contract Code Section 2204, the Contractor certifies subject to penalty for perjury that the option checked below relating to the Contractor's status in regard to the Iran Contracting Act of 2010 (Public Contract Code Section 2200 *et seq.*) is true and correct:

- 1. The Contractor is not:
  - a. identified on the current list of persons and entities engaging in investment activities in Iran prepared by the California Department of General Services in accordance with subdivision (b) of Public Contract Code Section 2203; or
  - b. a financial institution that extends, for 45 days or more, credit in the amount of \$20,000,000 or more to any other person or entity identified on the current list of persons and entities engaging in investment activities in Iran prepared by the California Department of General Services in accordance with subdivision (b) of Public Contract Code Section 2203, if that person or entity uses or will use the credit to provide goods or services in the energy sector in Iran. ☐
  
- 2. MTS has exempted the Contractor from the requirements of the Iran Contracting Act of 2010 after making a public finding that, absent the exemption, MTS will be unable to obtain the goods and/or services to be provided pursuant to the Contract. ☐
  
- 3. The amount of the Contract payable to the Contractor for the Project does not exceed \$1,000,000. ☐

**Note:** In accordance with Public Contract Code Section 2205, false certification of this form shall be reported to the California Attorney General and may result in civil penalties equal to the greater of \$250,000 or twice the Contract amount, termination of the Contract and/or ineligibility to bid on contracts for three years.

**ACKNOWLEDGED AND AGREED**

Company Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Date: \_\_\_\_\_

## **SAFETY DEPARTMENT STANDARD OPERATING PROCEDURES**

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### **FOR CONTRACTORS SAFETY AND HEALTH REQUIREMENTS**

(SAF 016-03)

January 2003

#### **SAF 016-03**

**Purpose:** To establish environmental, safety and health requirements for the San Diego Metropolitan Transit System (MTS) Contractors.

**Background:** MTS is committed in providing and maintaining a safe workplace, safe plant and equipment, and a safe and competent workforce as required by legislation and best industrial practice for our employees, customers, visitors, and general public.

To support this commitment, we require our Contractors to provide adequate leadership and safety training for their employees and require the same of their sub-Contractors.

**Objectives:** This SOP requires all MTS Contractors to:

- Comply with the environmental, safety and health requirements of the contract as per FTA, OSHA, Cal OSHA, and MTS.
- Assign a competent person the responsibility for the implementation of the safety regulations, personal protective equipment usage, and compliance with hazardous materials/environmental policies, and drug and alcohol program.
- Ensure that all Contractor employees and sub-Contractors are trained and educated in safety and support on-site Contractors on safe work and MTS safety programs.
- Sign the MTS Contractual Agreement with Outside Agencies (Safety Rules).

**MTS Representatives are required to:**

- Pro-actively monitor the Contractors' workplace to identify all occupational health and safety hazards – Departmental/Safety representative.
- Safety and contract requirements compliance – Audit/Inspection conducted and documented (schedule and spot check) by Quality Assurance Department.

**NOTE:** Copies of both MTS Illness and Injury Prevention Program (IIPP) and the MTS Maintenance Department Code of Safe Practices are available in the Safety Department's office. MTS handles the Engineering/Construction site safety plans.

**SAFETY DEPARTMENT SAFETY RULES**

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**MTS Contractual Agreement with Outside Agencies**

**Work on MTS Premises**

A. Safety Rules

These safety rules apply specifically to Contractors, Contractor's employees, or sub-Contractors working on MTS property. Any loss or damage, including death, resulting from Contractors, Contractor's employees, or subcontractor's negligence shall hold MTS management and employees harmless from any such loss. No work shall be performed on MTS property without approval and proper permits, when required. Requirements:

1. Comply with Cal OSHA, state, local and MTS' safety, and environmental policies.
2. Observe and follow all posted facilities safety regulations.
3. Use the proper Personal Protective Equipment required for the job.
4. No illegal drugs or alcohol will be consumed on site or off the premises while working for MTS.

B. Use of Tools and Equipment (when required)

1. Required Tools and Equipment must be in good condition, safe for use and calibrated (if required).
2. Follow safe engineering work practices/procedures.
3. Wear the required personal protective equipment when using tools.

C. Machinery and Vehicles (when required)

1. Do not attempt to operate MTS machinery or equipment without special permission.
2. Only licensed operators may operate Forklift Trucks and other equipment on MTS occupied spaces.

D. Contractor Requirements (when required)

1. Valid Contractor's license number.

**ACKNOWLEDGED AND AGREED**

Company Name: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Date: \_\_\_\_\_

**PUBLIC WORKS CONTRACTOR REGISTRATION CERTIFICATION FORM**

Pursuant to Labor Code sections 1725.5 and 1771.1, all contractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations. See <http://www.dir.ca.gov/Public-Works/PublicWorks.html> for additional information.

No bid will be accepted, nor any contract entered into without proof of the contractor’s current registration with the Department of Industrial Relations to perform public work.

The Bidder hereby certifies that it is aware of the registration requirements set forth in Labor Code sections 1725.5 and 1771.1 and it, along with its subcontractors are currently registered as a contractor with the Department of Industrial Relations.

Bidder further acknowledges:

- 1. Bidder shall maintain a current DIR registration for the duration of the project.
- 2. Bidder shall include the requirements of Labor Code sections 1725.5 and 1771.1 in its contract with subcontractors and ensure that all subcontractors are registered at the time of bid opening and maintain registration status for the duration of the project.
- 3. Failure to submit this form or comply with any of the above requirements may result in a finding that the bid is non-responsive.

**PRIME CONTRACTOR**

|                       |  |
|-----------------------|--|
| Business Name:        |  |
| DIR Registration No.: |  |
| Print Name:           |  |
| Title:                |  |
| Signature             |  |
| Date:                 |  |

**COMMITMENT TO COMPLY WITH PROJECT LABOR AGREEMENT (PLA)  
REQUIREMENTS**

---

Bidder, on behalf of itself and its subcontractor(s) at every tier, hereby commits to comply with MTS's Project Labor Agreement for all work on the Project. As a condition of contract award, the Contractor shall submit its Letter of Assent to MTS's Project Labor Coordinator and all subcontractors shall submit their Letter of Assent before commencing any Work on the Project.

**NOTE: Failure to submit this Commitment to Comply with PLA Requirements Form at the time of bid submittal may render the Bid non-responsive.**

**ACKNOWLEDGED AND AGREED**

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_

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

**BID BOND**

**[Note: Not required when other form of Bidder's Security, e.g. cash, certified check or cashier's check, accompanies bid.]**

KNOW ALL PERSONS BY THESE PRESENTS that, \_\_\_\_\_ hereinafter called the Principal, and \_\_\_\_\_, a corporation duly organized under the laws of the State of \_\_\_\_\_ and authorized to do business in the State of California, hereinafter call the Surety, are held and firmly bound unto the SAN DIEGO METROPOLITAN TRANSIT SYSTEM, hereinafter called the Obligee, on order, in the sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) (being at least ten percent (10%) of the total amount of Principal's Bid price) lawful money of the United States, for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these present.

THE CONDITION OF THIS OBLIGATION IS SUCH that:

WHEREAS, the Principal has submitted its Bid for the project entitled \_\_\_\_\_ to the Obligee, the Bid, by reference thereto; being hereby made a part hereof.

NOW, THEREFORE, if Principal's Bid is rejected or, in the alternate, if the Bid is accepted and the Principal signs and delivers a Contract and furnishes a Performance Bond and Payment Bond, and any and all other required documents, all in the form and within the time required by the Bid and the Contract Documents, then this obligation shall become null and void, otherwise the same shall remain in full force and effect and upon default of the Principal shall be forfeited to the Obligee, it being expressly understood and agreed that the liability of the Surety for any and all default of the Principal shall be the amount of this obligation as herein stated, as liquidated damages.

The Surety, for value received, hereby agrees that its obligations and its bond shall not be impaired or affected by any extension of the time within which the Obligee may accept such Proposal, and the Surety hereby waives notice of any such extension.

In the event suit is brought upon this bond by the Obligee and judgment is recovered, the Surety shall pay, in addition to the sum set forth above, all costs incurred by the Obligee in such suit, including reasonable attorney's fees and expert witness fees, to be fixed by the court, in addition to the penal sum of the Bond.

IN WITNESS WHEREOF, the above-bound parties have executed this instrument under their several seals this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the name and corporate seal of each corporation.

BY: \_\_\_\_\_  
SURETY  
Attorney-in-Fact

BY: \_\_\_\_\_  
PRINCIPAL  
  
\_\_\_\_\_  
Title



Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA  
COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, 20\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.  
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- ☐ Individual
- ☐ Corporate Officer

\_\_\_\_\_  
Title(s)  
☐ Partner(s)      ☐ Limited  
                                 ☐ General  
☐ Attorney-In-Fact  
☐ Trustee(s)  
☐ Guardian/Conservator  
☐ Other:  
Signer is representing:  
Name Of Person(s) Or Entity(ies)

\_\_\_\_\_  
Title or Type of Document  
\_\_\_\_\_  
Number of Pages  
\_\_\_\_\_  
Date of Document  
\_\_\_\_\_  
Signer(s) Other Than Named Above

NOTE: This acknowledgment is to be completed for Contractor/Principal.

Notary Acknowledgment

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STATE OF CALIFORNIA  
COUNTY OF \_\_\_\_\_

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I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

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- ☐ Corporate Officer

\_\_\_\_\_  
Title(s)

☐ Partner(s)      ☐ Limited  
                                 ☐ General

☐ Attorney-In-Fact  
☐ Trustee(s)  
☐ Guardian/Conservator  
☐ Other:  
Signer is representing:  
Name Of Person(s) Or Entity(ies)

\_\_\_\_\_  
Title or Type of Document

\_\_\_\_\_  
Number of Pages

\_\_\_\_\_  
Date of Document

\_\_\_\_\_  
Signer(s) Other Than Named Above

NOTE: This acknowledgment is to be completed for the Attorney-in-Fact. The Power-of-Attorney to local representatives of the bonding company must also be attached.

END OF BID BOND

## PERFORMANCE BOND

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KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, the SAN DIEGO METROPOLITAN TRANSIT SYSTEM, (hereinafter referred to as "MTS") has awarded to \_\_\_\_\_, (hereinafter referred to as the "Contractor") an agreement for \_\_\_\_\_, (hereinafter referred to as the "Project").

WHEREAS, the work to be performed by the Contractor is more particularly set forth in the Contract Documents for the Project dated \_\_\_\_\_, (hereinafter referred to as "Contract Documents"), the terms and conditions of which are expressly incorporated herein by reference; and

WHEREAS, the Contractor is required by said Contract Documents to perform the terms thereof and to furnish a bond for the faithful performance of said Contract Documents.

NOW, THEREFORE, we, the undersigned Contractor and \_\_\_\_\_ as Surety, a corporation organized and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto MTS in the sum of \_\_\_\_\_ DOLLARS, (\$ \_\_\_\_\_), said sum being not less than one hundred percent (100%) of the total amount of the Contract, for which amount well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that, if the Contractor, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the Contract Documents and any alteration thereof made as therein provided, on its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their intent and meaning; and shall faithfully fulfill all obligations including the one (1) year guarantee of all materials and workmanship; and shall indemnify and save harmless MTS, its Board, members of the Board, employees, and authorized volunteers, as stipulated in said Contract Documents, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a part of the obligation secured hereby and in addition to the face amount specified therefore, there shall be included costs and reasonable expenses and fees incurred by MTS in enforcing such obligation.

As a condition precedent to the satisfactory completion of the Contract Documents, unless otherwise provided for in the Contract Documents, the above obligation shall hold good for a period of one (1) year after the acceptance of the work by MTS, during which time if Contractor shall fail to make full, complete, and satisfactory repair and replacements and totally protect MTS from loss or damage resulting from or caused by defective materials or faulty workmanship. The obligations of Surety hereunder shall continue so long as any obligation of Contractor remains. Nothing herein shall limit MTS's rights or the Contractor or Surety's obligations under the Contract, law or equity, including, but not limited to, California Code of Civil Procedure Section 337.15.

Whenever Contractor shall be, and is declared by MTS to be, in default under the Contract Documents, the Surety shall remedy the default pursuant to the Contract Documents, or shall promptly, at MTS's option:

1. Take over and complete the Project in accordance with all terms and conditions in the Contract Documents; or
2. Obtain a bid or bids for completing the Project in accordance with all terms and conditions in the Contract Documents and upon determination by Surety of the lowest responsive and responsible

bidder, arrange for a Contract between such bidder, the Surety and MTS, and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by MTS under the Contract and any modification thereto, less any amount previously paid by MTS to the Contractor and any other set offs pursuant to the Contract Documents.

3. Permit MTS to complete the Project in any manner consistent with California law and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by MTS under the Contract and any modification thereto, less any amount previously paid by MTS to the Contractor and any other set offs pursuant to the Contract Documents.

Surety expressly agrees that MTS may reject any contractor or subcontractor which may be proposed by Surety in fulfillment of its obligations in the event of default by the Contractor.

Surety shall not utilize Contractor in completing the Project nor shall Surety accept a bid from Contractor for completion of the Project if MTS, when declaring the Contractor in default, notifies Surety of MTS's objection to Contractor's further participation in the completion of the Project.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project to be performed thereunder shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, we have hereunto set our hands and seals this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

CONTRACTOR/PRINCIPAL

\_\_\_\_\_  
Name

By \_\_\_\_\_

SURETY:

By: \_\_\_\_\_  
Attorney-In-Fact

Signatures of those signing for the Contractor and Surety must be notarized and evidence of corporate authority attached.

The rate of premium on this bond is \_\_\_\_\_ per thousand. The total amount of premium charges is \$\_\_\_\_\_.

(The above must be filled in by corporate attorney.)

THE FOLLOWING INFORMATION IS MANDATORY

Any claims under this bond may be addressed to:

Name and Address of Surety

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Name and Address of Agent or Representative for service of process in California, if different from above

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone number of Surety and Agent or Representative for service of process in California

\_\_\_\_\_

# Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA  
COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, 20\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

## OPTIONAL

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

### CAPACITY CLAIMED BY SIGNER

- ☐ Individual
- ☐ Corporate Officer

\_\_\_\_\_  
Title(s)  
☐ Partner(s)      ☐ Limited  
                                 ☐ General

- ☐ Attorney-In-Fact
- ☐ Trustee(s)
- ☐ Guardian/Conservator
- ☐ Other:

Signer is representing:  
Name Of Person(s) Or Entity(ies)

\_\_\_\_\_  
\_\_\_\_\_

### DESCRIPTION OF ATTACHED DOCUMENT

\_\_\_\_\_  
Title or Type of Document

\_\_\_\_\_  
Number of Pages

\_\_\_\_\_  
Date of Document

\_\_\_\_\_  
Signer(s) Other Than Named Above

**NOTE: This acknowledgment is to be completed for Contractor/Principal.**

Notary Acknowledgment

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STATE OF CALIFORNIA  
COUNTY OF \_\_\_\_\_

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evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

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CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- ☐ Individual
- ☐ Corporate Officer

\_\_\_\_\_  
Title(s)  
  
☐ Partner(s)                      ☐ Limited  
                                                 ☐ General  
  
☐ Attorney-In-Fact  
☐ Trustee(s)  
☐ Guardian/Conservator  
☐ Other:  
Signer is representing:  
Name of Person(s) Or Entity(ies)  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Title or Type of Document  
  
\_\_\_\_\_  
Number of Pages  
  
\_\_\_\_\_  
Date of Document  
  
\_\_\_\_\_  
Signer(s) Other Than Named Above

NOTE: This acknowledgment is to be completed for the Attorney-in-Fact. The Power-of Attorney to local representatives of the bonding company must also be attached.

END OF PERFORMANCE BOND

LABOR AND MATERIAL PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS That

WHEREAS, the SAN DIEGO METROPOLITAN TRANSIT SYSTEM (hereinafter referred to as the "MTS"), by action taken or a resolution passed \_\_\_\_\_, 20\_\_\_\_, has awarded to \_\_\_\_\_ hereinafter designated as the "Principal," a contract for the work described as follows: \_\_\_\_\_ (the "Project"); and

WHEREAS, said Principal is required to furnish a bond in connection with said contract; providing that if said Principal or any of its Subcontractors shall fail to pay for any materials, provisions, provender, equipment, or other supplies used in, upon, for or about the performance of the work contracted to be done, or for any work or labor done thereon of any kind, or for amounts due under the Unemployment Insurance Code or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of said Principal and its Subcontractors with respect to such work or labor the Surety on this bond will pay for the same to the extent hereinafter set forth.

NOW THEREFORE, we, the Principal and \_\_\_\_\_ as Surety, are held and firmly bound unto MTS in the penal sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if said Principal, his or its subcontractors, heirs, executors, administrators, successors or assigns, shall fail to pay any of the persons named in Civil Code Section 9100, fail to pay for any materials, provisions or other supplies, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department or Franchise Tax Board from the wages of employees of the contractor and his subcontractors pursuant to Revenue and Taxation Code Section 18663, with respect to such work and labor the Surety or Sureties will pay for the same, in an amount not exceeding the sum herein above specified, and also, in case suit is brought upon this bond, all litigation expenses incurred by MTS in such suit, including reasonable attorneys' fees, court costs, expert witness fees and investigation expenses.

This bond shall inure to the benefit of any of the persons named in Civil Code Section 9100 so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

It is further stipulated and agreed that the Surety on this bond shall not be exonerated or released from the obligation of this bond by any change, extension of time for performance, addition, alteration or modification in, to, or of any contract, plans, specifications, or agreement pertaining or relating to any scheme or work of improvement herein above described, or pertaining or relating to the furnishing of labor, materials, or equipment therefore, nor by any change or modification of any terms of payment or extension of the time for any payment pertaining or relating to any scheme or work of improvement herein above described, nor by any rescission or attempted rescission or attempted rescission of the contract, agreement or bond, nor by any conditions precedent or subsequent in the bond attempting to limit the right of recovery of claimants otherwise entitled to recover under any such contract or agreement or under the bond, nor by any fraud practiced by any person other than the claimant seeking to recover on the bond and that this bond be construed most strongly against the Surety and in favor of all persons for whose benefit such bond is given, and under no circumstances shall Surety be released from liability to those for whose benefit such bond has been given, by reason of any breach of contract between the owner or MTS and original contractor or on the part of any obligee named in such bond, but the sole conditions of recovery shall be that claimant is a person described in Civil Code Section 9100, and has not been paid the full amount of his claim and that Surety does hereby waive notice of any such change, extension of time, addition, alteration or modification herein mentioned, including but not limited to the provisions of sections 2819 and 2845 of the California Civil Code.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

(Corporate Seal of Principal, \_\_\_\_\_  
if corporation)

Principal (Contractor)

By \_\_\_\_\_  
(Signature of Contractor)

(Seal of Surety)

\_\_\_\_\_  
Surety

By \_\_\_\_\_  
Attorney in Fact





Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, 20\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- ☐ Individual
- ☐ Corporate Officer

☐ Partner(s)

☐ Attorney-In-Fact

☐ Trustee(s)

☐ Guardian/Conservator

☐ Other:

Signer is representing:

Name of Person(s) Or Entity(ies)

Title(s)

☐ Limited

☐ General

Title or Type of Document

Number of Pages

Date of Document

Signer(s) Other Than Named Above

NOTE: This acknowledgment is to be completed for the Attorney-in-Fact. The Power-of-Attorney to local representatives of the bonding company must also be attached.

END OF PAYMENT BOND

**BID PRICE FORM**  
**Beyer Blvd Pathway Beautification**  
**ADDENDUM NO 1. REVISED 6/30/26**



**Bidder Name:** WIER CONSTRUCTION CORPORATION-

| Item No.                    | Item Description                                                                                                 | Unit | Estimated Quantity | Unit Cost     | Cost          |
|-----------------------------|------------------------------------------------------------------------------------------------------------------|------|--------------------|---------------|---------------|
| <b>General Requirements</b> |                                                                                                                  |      |                    |               |               |
| 1                           | Mobilization                                                                                                     | LS   | 1                  | \$ 228,000.00 | \$ 228,000.00 |
| 2                           | Traffic Control                                                                                                  | LS   | 1                  | \$ 36,000.00  | \$ 36,000.00  |
| 3                           | BMP Monitoring & Reporting                                                                                       | LS   | 1                  | \$ 60,000.00  | \$ 60,000.00  |
| 4                           | Surveying for Construction Staking                                                                               | LS   | 1                  | \$ 6,900.00   | \$ 6,900.00   |
| 5                           | Construction Silt Fencing                                                                                        | LF   | 1,130              | \$ 7.20       | \$ 8,136.00   |
| 6                           | Fiber rolls                                                                                                      | LF   | 565                | \$ 7.20       | \$ 4,068.00   |
| 7                           | Stabilized construction entrance                                                                                 | LS   | 1                  | \$ 1,800.00   | \$ 1,800.00   |
| <b>Site Demolition</b>      |                                                                                                                  |      |                    |               |               |
| 1                           | Demo existing concrete pavement and ramps                                                                        | SF   | 2,650              | \$ 8.40       | \$ 22,260.00  |
| 2                           | Demo existing concrete slope paving                                                                              | SF   | 2,580              | \$ 10.80      | \$ 27,864.00  |
| 3                           | Clearing and Grubbing                                                                                            | SF   | 7,510              | \$ 3.60       | \$ 27,036.00  |
| 4                           | Remove existing bollards                                                                                         | EA   | 3                  | \$ 180.00     | \$ 540.00     |
| 5                           | Remove existing handrail                                                                                         | LF   | 167                | \$ 18.00      | \$ 3,006.00   |
| 6                           | Remove existing fence - 6'                                                                                       | LF   | 490                | \$ 14.40      | \$ 7,056.00   |
| 7                           | Remove existing fence - 4'                                                                                       | LF   | 510                | \$ 14.40      | \$ 7,344.00   |
| 8                           | Miscellaneous demolition                                                                                         | LS   | 1                  | \$ 6,000.00   | \$ 6,000.00   |
| <b>Protect in Place</b>     |                                                                                                                  |      |                    |               |               |
| 1                           | Protect existing light pole                                                                                      | EA   | 7                  | \$ 300.00     | \$ 2,100.00   |
| 2                           | Protect existing black chainlink fence                                                                           | LF   | 310                | \$ 2.40       | \$ 744.00     |
| 3                           | Protect existing wooden fence                                                                                    | LF   | 130                | \$ 1.20       | \$ 156.00     |
| 4                           | Protect power pole                                                                                               | EA   | 1                  | \$ 300.00     | \$ 300.00     |
| 5                           | Protect guard arm foundation                                                                                     | LS   | 1                  | \$ 600.00     | \$ 600.00     |
| 6                           | Protect existing electrical vault                                                                                | LS   | 1                  | \$ 600.00     | \$ 600.00     |
| <b>Earthwork</b>            |                                                                                                                  |      |                    |               |               |
| 1                           | Export for Top Soil (2" Depth)                                                                                   | CY   | 35                 | \$ 144.00     | \$ 5,040.00   |
| 2                           | Overexcavation / Remedial grading Pedestrian Pavement and Export (22" Depth)                                     | CY   | 235                | \$ 180.00     | \$ 42,300.00  |
| 3                           | Overexcavation / Remedial grading Vehicular Pavement and Export (30" Depth)                                      | CY   | 455                | \$ 216.00     | \$ 98,280.00  |
| 4                           | Import and fill (exclude pavement thickness)                                                                     | CY   | 470                | \$ 180.00     | \$ 84,600.00  |
| <b>Pavement</b>             |                                                                                                                  |      |                    |               |               |
| 1                           | Type 1 Vehicular Concrete (gray with top cast)                                                                   | SF   | 1,152              | \$ 24.00      | \$ 27,648.00  |
| 2                           | Type 2 Vehicular Concrete (int color with top cast)                                                              | SF   | 2,220              | \$ 28.80      | \$ 63,936.00  |
| 3                           | Type 1 Pedestrian Concrete (gray with top cast)                                                                  | SF   | 871                | \$ 19.20      | \$ 16,723.20  |
| 4                           | Type 2 Pedestrian Concrete (int color with top cast)                                                             | SF   | 1,628              | \$ 24.00      | \$ 39,072.00  |
| 5                           | Decorative Path Centerpiece (Vehicular)                                                                          | SF   | 415                | \$ 28.80      | \$ 11,952.00  |
| 6                           | Pavement subgrade preparation                                                                                    | SF   | 6286               | \$ 3.60       | \$ 22,629.60  |
| <b>Drainage</b>             |                                                                                                                  |      |                    |               |               |
| 1                           | Concrete Gutter - Retaining Wall                                                                                 | SF   | 430                | \$ 30.00      | \$ 12,900.00  |
| <b>Electrical Services</b>  |                                                                                                                  |      |                    |               |               |
| 1                           | Underground conduitS, copper wiring, including trenching, backfill, bedding - 1" CONDUIT, 2 #4 + 1#4 GND         | LF   | 1,058              | \$ 60.00      | \$ 63,480.00  |
| 2                           | Underground conduitS, copper wiring, including trenching, backfill, bedding - 1" CONDUIT, 2 #6 + 1#6 GND         | LF   | 50                 | \$ 60.00      | \$ 3,000.00   |
| 3                           | Underground conduitS, copper wiring, including trenching, backfill, bedding - 1-1/2" C, 3#4+1#4 GND, 2#6+1#6 GND | LF   | 45                 | \$ 90.00      | \$ 4,050.00   |
| 4                           | Copper wiring - 5#4+1#4 GND                                                                                      | LF   | 208                | \$ 36.00      | \$ 7,488.00   |
| 5                           | New pull boxes (24x24x24)                                                                                        | EA   | 2                  | \$ 3,000.00   | \$ 6,000.00   |
| 6                           | New light poles                                                                                                  | EA   | 14                 | \$ 6,000.00   | \$ 84,000.00  |
| 7                           | Concrete base for light poles                                                                                    | EA   | 14                 | \$ 1,800.00   | \$ 25,200.00  |
| 8                           | New light bollards                                                                                               | EA   | 21                 | \$ 3,600.00   | \$ 75,600.00  |
| 9                           | Concrete base for light bollards (included above)                                                                | EA   | 21                 | \$ 600.00     | \$ 12,600.00  |
| 10                          | Lighting Control Panel                                                                                           | EA   | 1                  | \$ 12,000.00  | \$ 12,000.00  |



|                                           |                                                                  |    |       |              |                     |
|-------------------------------------------|------------------------------------------------------------------|----|-------|--------------|---------------------|
| 11                                        | Artwork Lighting                                                 | EA | 4     | \$ 2,400.00  | \$ 9,600.00         |
| 12                                        | Landscape Lighting                                               | EA | 20    | \$ 1,800.00  | \$ 36,000.00        |
| 13                                        | Point of Service Connection / tie to Existing Panel / Misc Elect | EA | 1     | \$ 582.00    | \$ 582.00           |
| 14                                        | Anchorage of Existing Overhead Catenary System (OCS) Pole        | EA | 1     | \$ 12,000.00 | \$ 12,000.00        |
| <b>Landscape Planting</b>                 |                                                                  |    |       |              |                     |
| 1                                         | Shrubs / GC - 1 gal.                                             | EA | 1,250 | \$ 14.40     | \$ 18,000.00        |
| 2                                         | Shrubs - 5 gal.                                                  | EA | 105   | \$ 54.00     | \$ 5,670.00         |
| 3                                         | Trees - 36" box                                                  | EA | 12    | \$ 1,980.00  | \$ 23,760.00        |
| 4                                         | Maintenance of landscape 365 days                                | SF | 5,400 | \$ 3.00      | \$ 16,200.00        |
| 5                                         | Mulch, bark mulch                                                | SF | 5,400 | \$ 1.56      | \$ 8,424.00         |
| 6                                         | Soil amending                                                    | SF | 5,400 | \$ 2.22      | \$ 11,988.00        |
| 7                                         | Import Topsoil - 2" depth                                        | SF | 5,400 | \$ 1.56      | \$ 8,424.00         |
| <b>Irrigation</b>                         |                                                                  |    |       |              |                     |
| 1                                         | Irrigation Controller Assembly                                   | EA | 1     | \$ 17,940.00 | \$ 17,940.00        |
| 2                                         | Irrigation POC (backflow, flow sensor, master valve)             | EA | 1     | \$ 31,800.00 | \$ 31,800.00        |
| 3                                         | Irrigation System                                                | SF | 5,400 | \$ 20.70     | \$ 111,780.00       |
| <b>Site Amenities &amp; Signage</b>       |                                                                  |    |       |              |                     |
| 1                                         | Concrete Seatwall                                                | LF | 76    | \$ 240.00    | \$ 18,240.00        |
| 2                                         | Trash/Recycle Receptacles                                        | EA | 2     | \$ 3,000.00  | \$ 6,000.00         |
| 3                                         | 18" x 24" Interpretive Signage                                   | EA | 1     | \$ 900.00    | \$ 900.00           |
| 4                                         | 4' Decorative ClearVu Fence - Trackside                          | LF | 507   | \$ 240.00    | \$ 121,680.00       |
| 5                                         | 6' Black Vinyl Chainlink Fence - Along retaining wall            | LF | 215   | \$ 280.80    | \$ 60,372.00        |
| 6                                         | 6' Black Vinyl Chainlink Fence on-grade                          | LF | 111   | \$ 280.80    | \$ 31,168.80        |
| <b>Retaining Wall Items</b>               |                                                                  |    |       |              |                     |
| 1                                         | Structure Excavation                                             | CY | 240   | \$ 180.00    | \$ 43,200.00        |
| 2                                         | Structure Backfill                                               | CY | 480   | \$ 420.00    | \$ 201,600.00       |
| 3                                         | Concrete                                                         | CY | 145   | \$ 900.00    | \$ 130,500.00       |
| 4                                         | Bar Reinforcing Steel                                            | LB | 14930 | \$ 2.16      | \$ 32,248.80        |
| 5                                         | Perforated Drain Pipe                                            | LF | 220   | \$ 36.00     | \$ 7,920.00         |
| 6                                         | Weep Holes                                                       | LS | 1     | \$ 12,000.00 | \$ 12,000.00        |
| <b>Concrete Art Walls and Foundations</b> |                                                                  |    |       |              |                     |
| 1                                         | Structure Excavation                                             | CY | 20    | \$ 480.00    | \$ 9,600.00         |
| 2                                         | Structure Backfill                                               | CY | 5     | \$ 480.00    | \$ 2,400.00         |
| 3                                         | Concrete                                                         | CY | 30    | \$ 900.00    | \$ 27,000.00        |
| 4                                         | Bar Reinforcing Steel                                            | LB | 2350  | \$ 3.00      | \$ 7,050.00         |
| <b>Art Sculpture and Foundations</b>      |                                                                  |    |       |              |                     |
| 1                                         | Structure Excavation                                             | CY | 10    | \$ 360.00    | \$ 3,600.00         |
| 2                                         | Structure Backfill                                               | CY | 5     | \$ 480.00    | \$ 2,400.00         |
| 3                                         | Concrete                                                         | CY | 5     | \$ 900.00    | \$ 4,500.00         |
| 4                                         | Bar Reinforcing Steel                                            | LB | 325   | \$ 2.04      | \$ 663.00           |
| 5                                         | Sculpture Unloading and Installation                             | EA | 2     | \$ 2,400.00  | \$ 4,800.00         |
| <b>Miscellaneous Items</b>                |                                                                  |    |       |              |                     |
| 1                                         | City Permit for water line connection (irrigation)               | LS | 1     | \$ 36,000.00 | \$ 36,000.00        |
| <b>Subtotal - All Base Work =</b>         |                                                                  |    |       |              | <b>\$ 2,245,019</b> |

| <b>Contract Alternates</b>                           |                                              |    |     |               |                   |
|------------------------------------------------------|----------------------------------------------|----|-----|---------------|-------------------|
| <b>BID ALT 1 - Shade Structure and Foundations</b>   |                                              |    |     |               |                   |
| 1                                                    | Shade Structure - Polygon (incl foundations) | LS | 1   | \$ 240,000.00 | \$ 240,000.00     |
| <b>BID ALT 2- Decorative MTS railing - Trackside</b> |                                              |    |     |               |                   |
| 1                                                    | 4' Decorative MTS Fence with curb            | LF | 507 | \$ 450.00     | \$ 228,150.00     |
| <b>Subtotal - All Contract Alternates =</b>          |                                              |    |     |               | <b>\$ 468,150</b> |

|                                                              |  |  |  |  |                     |
|--------------------------------------------------------------|--|--|--|--|---------------------|
| <b>Grand Total Basis of Award (Base plus All Alternates)</b> |  |  |  |  | <b>\$ 2,713,169</b> |
|--------------------------------------------------------------|--|--|--|--|---------------------|

The base bid and any alternate pricing is all-inclusive and must include the costs for the bid bond, performance and payment bonds, and insurance. MTS will not pay additional or separate costs for these.



**Metropolitan  
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**DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 9/3/2026**

## **Agenda Item No. 24**

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

**September 17, 2026**

**SUBJECT:**

**Security Services – Contract Amendment**

**RECOMMENDATION:**

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute Amendment No. 9 to MTS Doc No. G2359.0-20 (in substantially the same format as Attachment A), with Inter-Con Security Systems, Inc. (dba Inter-Con Security), to add contract capacity of \$16,597,880.00 and extend the contract for one (1) year effective January 1, 2027 to December 31, 2027.

**Budget Impact**

The total cost of this amendment is estimated to be \$16,597,880.00, and the total contract cost is estimated to be \$89,041,383.00 (inclusive of the total costs for Amendment No. 9). These services will be funded by the Security Department Operating Budget account 420010-535100.

**DISCUSSION:**

MTS provides uniformed security personnel at various locations throughout MTS's service area to maintain a safe environment for patrons and employees alike. These security personnel have the capability to respond to disturbances and emergencies affecting both trolley and bus services within the MTS service area.

A high-quality security team offers a physical presence serving as a visual and physical deterrent to suspicious and illegal behavior including assault, vandalism and graffiti activities, as well as ambassadors of goodwill to MTS passengers. Security personnel also work closely with MTS Code Compliance Inspectors to conduct fare inspections.

On July 30, 2021 (Agenda Item (AI) No. 30), the Board awarded a Security Services contract with Inter-Con for a period of January 2022 through December 2026.

Today's proposed action extends the contract for a one (1) year period effective January 1, 2027 to December 31, 2027. Given the current agency budgetary concerns, the contract extension will provide MTS with extra time to analyze staffing levels and structure, and to collect additional data related to the security team's organization for a replacement procurement.



On February 16, 2023 (AI No. 12), the Board approved wage rate increases for the remaining contract years by an additional 4% for Year 3, 4% for Year 4, and 3% for Year 5. The extension includes a 4% wage rate increase that similarly matches the previously negotiated rate increases included and evaluated as part of the overall contract cost. Therefore, staff has deemed the extension pricing to be fair and reasonable.

Following the commencement of the agreement, various Amendments have been executed. The base agreement and subsequent amendments are summarized below:

| Description                                                                                          | Amount                 | Approval                       |
|------------------------------------------------------------------------------------------------------|------------------------|--------------------------------|
| Base Agreement and Option Years                                                                      | \$66,004,286.00        | 07/30/2021 (AI 30)             |
| Amendment No. 1 for On-the-Job training (OJT) to be a billable expense to MTS for Year 1             | \$100,000.00           | 12/16/2021 (AI 22)             |
| Amendment No. 2 for three additional security vehicles                                               | \$65,723.00            | 02/08/22 Approved by the CEO   |
| Amendment No. 3 for Body Camera Recorder Procedures                                                  | \$0.00                 | 08/08/22 Approved by the CEO   |
| Amendment No. 4 for additional OJT.                                                                  | \$0.00                 | 12/28/22 Approved by the CEO   |
| Amendment No. 5 for wage increase for all security personnel                                         | \$5,273,494.00         | 02/16/23 (AI 16)               |
| Amendment No. 6 to exercise option years 1 and 2 and add funds                                       | \$1,000,000.00         | 10/17/2024 (AI 10)             |
| Amendment No. 7 to modify the insurance costs due to the increase of service vehicles from 21 to 26. | \$0.00                 | 08/01/2025 Approved by the CEO |
| Amendment No. 8 to add a subcontractor                                                               | \$0.00                 | 09/02/2025 Approved by the CEO |
| Amendment 9 extend agreement for one-year                                                            | \$16,597,880.00        | Today's Proposed Action        |
| <b>New Board Approved Amount</b>                                                                     | <b>\$89,041,383.00</b> |                                |

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute Amendment No. 9 to MTS Doc No. G2359.0-20 (in substantially the same format as Attachment A), with Inter-Con Security Systems, Inc. (dba Inter-Con Security), to add contract capacity of \$16,597,880.00 and extend the contract for one (1) year effective January 1, 2027 to December 31, 2027.

/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. MTS Doc No. G2359.9-20





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## Amendment 9

September 17, 2026

MTS Doc No. G2359.9-20

### SECURITY SERVICES

Inter-Con Security Systems, Inc. dba Inter-Con Security  
Thomas Rath  
Assistant General Counsel  
210 S. De Lacey Avenue  
Pasadena, CA, 91105

This shall serve as Amendment No.9 to the original agreement G2359.0-20 as further described below.

### SCOPE

Pursuant to the Scope of Work of the San Diego Metropolitan Transit System (MTS) contractor shall extend the Security Services as outlined in G2359.0-20 for an additional one (1) year under the updated billing rates as outlined in Attachment A.

### SCHEDULE

The contract term shall be extended for one (1) year effective January 1, 2027 to December 31, 2027.

### PAYMENT

This contract amendment shall authorize additional costs not to exceed \$16,597,880.00 as summarized below:

| Description                                                | Cost                   |
|------------------------------------------------------------|------------------------|
| Board Approved Amount (AI 10 – 10/17/24)                   | \$72,443,503.00        |
| Additional funds for Contract Extension (AI TBD – 9/17/26) | \$16,597,880.00        |
| <b>TOTAL</b>                                               | <b>\$89,041,383.00</b> |

The total value of this contract including this amendment shall be in the amount of \$89,041,383.00. This amount shall not be exceeded without prior written approval from MTS.





Please sign and return the copy 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:

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Sharon Cooney, Chief Executive Officer

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Thomas Rath, Assistant General Counsel  
Inter-Con Security Systems, Inc. dba  
Inter-Con Security

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

Attachments: A. Inter-con Rate Modification

# **ATTACHMENT A INTER-CON RATE MODIFICATION**

**ATTACHMENT A**  
**INTER-CON RATE MODIFICATION**

## INTER-CON RATE MODIFICATION

Inter-Con is excited by the opportunity to continue its partnership with SD MTS through the requested one-year extension of Contract G2359.0-20. Please see below for **Inter-Con's proposed rates for the extension period ending December 31, 2027**.

The proposed rate adjustment reflects CBA-defined wage increases that become effective on January 1, 2027. Inter-Con inherited the existing union environment from the predecessor contractor, and the negotiated wage increases under the applicable collective bargaining agreement must be honored by any service provider supporting the program. These wage increases are not discretionary and reflect the underlying labor cost structure applicable to the contract.

**The proposed extension-year rates are based on the updated CBA-defined program wages and utilize the same 47.6% overhead rate defined in Inter-Con's contract documentation.** Inter-Con is not seeking to increase its margin through the extension. Rather, the proposed rates are intended to keep the program economically whole by applying the contract-defined overhead rate to the updated CBA wage structure.

Inter-Con welcomes the opportunity to discuss the proposed rates in further detail and answer any questions SD MTS may have.

## BUDGET ESTIMATE

Below, we provide a breakdown of the contemplated Year 6 Bill Rates. Consistent with the framework of our awarded pricing, Inter-Con has simply applied the 47.6% overhead rate from the contract to the program's new pay rates, effective January 1<sup>st</sup>, 2027.

| Job Title                 | Current Contract Pay Rate | Year 6 Scheduled Pay Rate Increase | Year 6 Pay Rate: Eff. 01.01.2027 | Contract-Defined Overhead Rate | Year 6 Bill Rate: Eff. 01.01.2027 |
|---------------------------|---------------------------|------------------------------------|----------------------------------|--------------------------------|-----------------------------------|
| Administrative            | \$33.80                   | 4.0%                               | \$35.15                          | 47.6%                          | \$51.88                           |
| Armed Captain             | \$46.12                   | 4.0%                               | \$47.96                          | 47.6%                          | \$70.80                           |
| Armed Lieutenant          | \$33.80                   | 4.0%                               | \$35.15                          | 47.6%                          | \$51.88                           |
| Armed Security Officer    | \$24.87                   | 4.0%                               | \$25.86                          | 47.6%                          | \$38.18                           |
| Armed Sergeant            | \$27.13                   | 4.0%                               | \$28.22                          | 47.6%                          | \$41.65                           |
| Dispatch / CCTV Officer A | \$23.74                   | 4.0%                               | \$24.69                          | 47.6%                          | \$36.44                           |
| Trainer                   | \$34.83                   | 4.0%                               | \$36.22                          | 47.6%                          | \$53.47                           |
| Unarmed Security Officer  | \$22.61                   | 4.0%                               | \$23.51                          | 47.6%                          | \$34.71                           |
| Special Event Officer     | \$17.79                   | 4.0%                               | \$18.50                          | 47.6%                          | \$27.31                           |



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**DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 9/3/2026**

## **Agenda Item No. 25**

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

**September 17, 2026**

**SUBJECT:**

**43<sup>rd</sup> St. Traction Power Substation (TPSS) Replacement Alternating Current (AC) Switchgear  
Equipment Procurement – Sole Source Contract Award**

# **AGENDA ITEM WILL BE PROVIDED BEFORE BOARD MEETING**





**DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 9/3/2026**

## **Agenda Item No. 26**

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

**September 17, 2026**

**SUBJECT:**

Revisions to Board Policy No. 26 (Disadvantaged Business Enterprise Program)

**RECOMMENDATION:**

That the San Diego Metropolitan Transit System (MTS) Board of Directors approve revisions to Board Policy No. 26 (Disadvantaged Business Enterprise Program) (Attachment A).

**Budget Impact**

None with this action.

**DISCUSSION:**

As a recipient of Federal Transit Administration (FTA) funds, MTS must comply with the Department of Transportation's (DOT's) Disadvantaged Business Enterprise (DBE) Regulations at 49 CFR Part 26.

On October 3, 2025, the DOT issued an Interim Final Rule which removed race and sex based presumptions from the DOT DBE Regulations. Under the revised rule, to be certified as a DBE, the majority owner must now demonstrate that they are "socially and economically disadvantaged", and can no longer be presumed disadvantaged based on their race or sex. DBE certifying agencies were required to complete a recertification of all DBEs under this new eligibility standard. Certain DBE reporting and monitoring requirements were also temporarily suspended.

The California Unified Certification Program (CUCP) has recently completed its recertification of all DBE firms under this new eligibility standard. In accordance with the Interim Final Rule and related guidance, once the CUCP has completed its recertification, transit agencies must update their DBE Programs to reflect the changes made in the DOT DBE Regulations.

MTS's DBE Program outlines how MTS intends to implement the DOT's DBE Regulations. MTS's DBE Program is established within Board Policy No. 26 and includes: MTS's objectives towards utilization of DBEs, small businesses and other certified firms; the staff person responsible for the DBE Program implementation; how MTS aims to increase DBE and other



small businesses participation on its DOT assisted contracts; and how MTS ensures its prime contractors and subcontractors are complying with MTS's DBE Program.

Since MTS utilizes a 100% DBE-neutral program (i.e. no contract specific goals are used, only DBE-neutral outreach measures are used to encourage and increase participation from DBEs, small businesses and other certified firms), only minor revisions are needed to MTS's DBE Program.

Staff recommends the following revisions to MTS Board Policy No 26 be made:

- Replace the terms "race-conscious" and "race-neutral", with "DBE-conscious" and "DBE-neutral"; and
- Remove the requirement that bidders and proposers provide the race and gender of their firm's majority owner on MTS's DOT-assisted procurements.

Therefore, it is staff's recommendation that the MTS Board of Directors approve revisions to Board Policy No. 26 (Disadvantaged Business Enterprise Program) (Attachment A).

/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. Proposed Revisions to MTS Board Policy No. 26 (shown in red-line track changes)



## Policies and Procedures No. 26

Board Approval: 3/13/2025 9/17/2026

SUBJECT:

DISADVANTAGED BUSINESS ENTERPRISE PROGRAM

PURPOSE:

To provide a program to ensure nondiscrimination in the award and administration of federally-assisted contracts and create a level playing field on which disadvantaged business enterprises (DBEs) can compete fairly for those contracts.

POLICY:

### 26.1 POLICY STATEMENT AND PROGRAM OBJECTIVES

Policy Statement/Objectives (49 CFR § 26.3, § 26.7, § 26.21, § 26.23)

San Diego Metropolitan Transit System (MTS) has established and adopted a DBE program in accordance with regulations of the U.S. Department of Transportation (DOT), Title 49, Code of Federal Regulations, Part 26 "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs (49 CFR Part 26)." MTS has received Federal financial assistance from the DOT and as a condition of receiving this assistance, MTS has signed an assurance that it will comply with 49 CFR Part 26.

It is the policy of MTS to ensure that DBEs as defined in 49 CFR Part 26 have an equal opportunity to receive and participate in MTS's DOT-assisted contracts. It is also our policy to:

1. Ensure nondiscrimination in the award and administration of all MTS contracts and subcontracts;
2. Create a level playing field by which DBEs can compete for and perform in MTS's DOT-assisted contracts;
3. Ensure that the MTS DBE Program is narrowly tailored in accordance with applicable law and current legal standards, including the Ninth Circuit Ruling in *Western States Paving vs. Washington State Department of Transportation*;



4. Ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs;
5. Help remove procurement and contracting barriers, which impede DBE participation in MTS DOT-assisted contracts;
6. Monitor and enforce contractors' compliance in meeting established goal objectives and program requirements;
7. Assist in the development of DBEs and Small Businesses to increase their ability to compete successfully in the market-place outside the DBE Program; and
8. Ensure MTS contractors and subcontractors take all necessary and reasonable steps to comply with these policy objectives.

As evidence of MTS's commitment to pursue these policy objectives, the Chief Executive Officer has designated Deputy General Counsel as the DBE Liaison Officer (DBELO). In this capacity, the DBELO is responsible for implementing all aspects of the DBE program. The DBELO has direct access to the Chief Executive Officer for DBE-related matters. Implementation of the DBE program is accorded the same priority as compliance with all other legal obligations incurred by MTS in its financial assistance agreements with DOT.

MTS will disseminate this policy statement (See Exhibit A) to all of the departments of our organization through its intranet. Additionally, MTS will distribute this policy statement to DBE and non-DBE business communities that perform or are interested in performing work on MTS projects through its website. Through such efforts, MTS will ensure DOT-assisted contracting and procurement related processes promote equity in access, consideration and opportunity for DBEs and other small businesses in response to requirements set forth under 49 CFR Part 26, DOT Directives and Final Rules.

## 26.2 APPLICABILITY (49 CFR § 26.3, § 26.21)

MTS is a direct recipient of federal funds from the DOT and considered a Federal Transit Administration (FTA) Tier I recipient, as defined at 49 CFR §26.5. As a condition of Federal financial assistance, MTS is required to submit for approval to the DOT Operating Administration from which it receives the majority of its funding, a DBE Program developed in accordance with federal regulations published under 49 CFR Part 26 and subsequent guidance. This DBE Program sets forth the policies and procedures to be implemented by MTS to ensure that DBEs have an equitable opportunity to participate in DOT-assisted contracting opportunities.

In direct response to these regulatory requirements, MTS hereby establishes a DBE Program, which will:

1. Comply with federal regulations and financial assistance agreements;
2. Meet legal standards for narrow-tailoring requirements;
3. Ensure nondiscrimination in the award of DOT-assisted contracts; and

4. Reaffirm MTS's commitment to fairness and the principles of equal opportunity.

In conformance with 49 CFR Part 26, MTS will continue to carry out its DBE Program until all DOT funds have been expended.

MTS additionally complies with the California Department of Transportation's (Caltrans') DBE Program on projects on which it is a sub-recipient of federal funds through Caltrans.

MTS will advise all applicable DOT Operating Administrations of any significant updates and/or changes to this DBE Program.

### 26.3 DEFINITION OF TERMS (49 CFR § 26.5)

~~RaceDBE-Conscious Measure or Program:~~ A program or portion thereof that focuses specifically on assisting only DBEs, ~~including minority and women-owned DBEs,~~ by the development and inclusion of participation goals or Good-Faith Effort activities.

~~RaceDBE-Neutral Measure or Program:~~ A program or portion thereof that assists all small businesses, including DBEs, regardless of ownership status, in successfully participating in MTS's procurement program. ~~For the purposes of the DBE Program, "race-neutral" includes gender neutrality.~~

Any other term used in this DBE Program shall have the meaning set forth in 49 CFR Part 26.

### 26.4 RESPONSIBILITIES FOR DBE PROGRAM IMPLEMENTATION

#### A. DBE Liaison Officer (49 CFR § 26.25)

MTS has designated the following individual as the DBELO:

Deputy General Counsel  
San Diego Metropolitan Transit System  
1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101  
Telephone: (619) 557-4539; Fax: (619) 814-1559  
E-mail: [DBEProgram@sdmts.com](mailto:DBEProgram@sdmts.com)

In this capacity, the DBELO is responsible for implementing all aspects of the DBE Program and ensuring that MTS complies with all provisions of 49 CFR Part 26 and subsequent DOT-issued directives and final rules. The DBELO has direct, independent access to the MTS Chief Executive Officer concerning DBE Program matters. The DBELO has sufficient support personnel who devote a portion of their time to implement the Program. The DBELO is responsible for developing, implementing and monitoring the DBE Program, in coordination with other appropriate officials.

The DBELO's and/or designee's duties include, but are not limited to, the following activities:

1. Gathers and reports statistical data and other information as required by the DBE Program, including preparation of semiannual DBE reports and related analysis for submission to the applicable DOT Operating Administration.
2. Reviews applicable contracts, purchase requisitions, advertisements, boilerplate language specifications and other related documentation specific to implementing applicable DBE requirements.
3. Consults with all affected departments in developing overall DBE goals.
4. Ensures that bid notices and requests for proposals are made available to DBEs in a timely manner.
5. Reviews DOT-assisted contracts and procurements for purposes of applying applicable ~~race~~DBE-neutral measures.
6. Analyzes MTS's progress towards meeting overall DBE goals by monitoring individual contract DBE attainments.
7. Ensures that pre-bid meetings inform potential bidders and/or offerors regarding MTS's DBE Program.
8. Advises the Chief Executive Officer and/or the MTS Board on DBE matters and achievements.
9. Assesses DBE participation eligibility towards MTS's overall DBE goal.

Additionally, the DBELO and/or designee is charged with implementing the ~~race~~DBE-neutral measures listed in this DBE Program document.

B. Reconsideration Official (49 CFR § 26.53)

Should MTS implement a ~~race~~DBE-conscious component to this DBE Program, the DBE Program will be amended to provide the procedures for the administrative reconsideration process and to specify MTS's Reconsideration Official.

26.5 ADMINISTRATIVE REQUIREMENTS

A. Non-Discrimination Requirements (49 CFR § 26.7)

MTS will never exclude any person from participation in, deny any person the benefits of, or otherwise discriminate against anyone in connection with the award and performance of any contract covered by 49 CFR Part 26 on the basis of race, color, sex, or national origin.

In administering its DBE program, MTS will not, directly or through contractual or other arrangements, use criteria or methods of

administration that have the effect of defeating or substantially impairing accomplishment of the objectives of the DBE program with respect to individuals of a particular race, color, sex, or national origin.

B. Federal Financial Assistance Agreement Assurance (49 CFR § 26.13 {a})

MTS will sign the following assurance as a condition of financial assistance agreements with the DOT, and which is hereby made applicable to all of MTS's DOT-assisted contracts:

"MTS shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any U.S. DOT-assisted contract or in the administration of its DBE Program or the requirements of 49 CFR Part 26. MTS shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of U.S. DOT-assisted contracts. MTS's DBE Program, as required by 49 CFR Part 26 and as approved by U.S. DOT, is incorporated by reference in this agreement. Implementation of this Program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to MTS of its failure to carry out its approved program, the Department may impose sanctions as provided under 49 CFR Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.)."

C. DBE Financial Institutions (49 CFR § 26.27)

It is the policy of MTS to investigate the full extent of services offered by financial institutions owned and controlled by socially and economically disadvantaged individuals in the community, to make reasonable efforts to utilize these institutions, as available, and to encourage prime contractors on MTS's DOT-assisted contracts to make use of these institutions.

When MTS competitively procures financial services, MTS will notify any identified financial institutions owned by socially and economically disadvantaged individuals in MTS's geographic market area of the upcoming procurement. Through MTS's website and MTS's contract solicitations, MTS will also encourage contractors to use the services of financial institutions owned by socially and economically disadvantaged individuals identified from the listings. One example resource that may be used includes the the Federal Reserve Board, which compiles data on financial institutions that participate in the Department of the Treasury's Minority Depository Institution Program. The Internet address of this listing is <http://www.federalreserve.gov/releases/mob/>.

D. DBE Directory (49 CFR § 26.31)

MTS refers interested parties to the California Unified Certification Program (CUCP) Database of Certified DBE Firms (DBE Directory) to assist in identifying certified DBEs. The DBE Directory is published at <https://dot.ca.gov/programs/civil-rights/dbe>.

E. Overconcentration (49 CFR § 26.33)

MTS has not identified any types of work that have a burdensome overconcentration of DBE participation. However, should MTS determine that overconcentration exists in a work classification, MTS will obtain the approval of the concerned DOT Operating Administration of its determination and the measures devised to address it. Once these measures are approved, they will become part of MTS's DBE Program.

F. Business Development Programs (49 CFR § 26.35)

MTS has not established a business development program. The DBELO will continually evaluate the need and assess whether MTS should establish a Business Development Program and/or a Mentor Protege Program. If MTS establishes either program, the program will be guided by the applicable Appendix of 49 CFR Part 26 and approved by the cognizant DOT Operating Administration before being implemented.

G. Fostering Small Business Participation (49 CFR § 26.39)

MTS will structure contracting requirements to facilitate competition by small business concerns by advising the contracting community of the benefits of becoming SB certified, the eligibility requirements to become certified as a SB, and the online directory of certified SBs, found at the U.S. Small Business Administration (SBA) website ([www.sba.gov](http://www.sba.gov)).

MTS may also implement a Small Business Set Aside (i.e. competition among only small businesses) on certain contracts. The MTS Procurement Manager or designee shall consider whether there is a reasonable expectation of obtaining offers from three (3) or more responsible small business concerns that are competitive in terms of market prices, quality, and delivery before applying a Small Business Set Aside to a procurement. MTS will define a small business as a business that meets the definition of small business concern set out in 49 CFR § 26.5. A certified DBE will be presumed eligible to participate in a small business set aside, as all certified DBEs must meet the definition of a small business concern. To avoid program fraud, MTS will verify eligibility of a firm to participate in a small business set aside.

MTS may also utilize the ~~race~~DBE-neutral outreach measures identified at Section 26.6 (D) of this Policy to foster participation from small business concerns.

H. Expanded Outreach to Additional Certified Firms (2 CFR § 200.321)

As appropriate and/or as required by the terms of a grant or funding award, MTS will further expand outreach measures to other certified firms, which includes, but is not limited to, minority owned businesses (MBE), women owned businesses (WBE), disabled veteran owned businesses (DVBE), veteran owned businesses (WBE), persons with disabilities owned businesses (PDBE), lesbian gay bisexual and transgender owned businesses (LGBTBE), small businesses (SB),

HUBZone small businesses; and/or labor surplus area businesses. This may include, but is not limited to, one or more of the following:

- 1) Including these business types on solicitation lists;
- 2) Soliciting these business types whenever they are deemed eligible as potential sources;
- 3) Dividing procurement transaction into separate procurement to permit maximum participation by these business types;
- 4) Establishing delivery schedules that encourage participation by these business types;
- 5) Utilizing organizations such as SBA and Minority Business Development Agency of the Department of Commerce; and/or
- 6) Requiring a contractor under an applicable grant or funding award to apply 2 CFR 200.321.

In addition, the following certification resources and databases may be used and shared with interested firms:

- 1) U.S. SBA website: <https://www.sba.gov/>;
- 2) California Department of General Services (DGS) website: <https://caleprocure.ca.gov/pages/PublicSearch/supplier-search.aspx>; and
- 3) California Public Utilities Commission (CPUC) website: <https://www.cpuc.ca.gov/about-cpuc/divisions/news-and-public-information-office/business-and-community-outreach/supplier-diversity-program>.

## 26.6 DETERMINING, MEETING, AND COUNTING DBE PARTICIPATION TOWARDS THE OVERALL DBE GOAL (49 CFR § 26.45; § 26.51; § 26.55)

MTS is currently operating a strictly ~~race~~DBE-neutral DBE Program in accordance with DOT guidance following the *Western States Paving* decision of the 9th Circuit Court of Appeals. Should MTS incorporate a ~~race~~DBE-conscious DBE Program in the future, the breakout of estimated ~~race~~DBE-neutral and ~~race~~DBE-conscious participation in MTS's DBE goal will be updated.

As MTS is currently operating a strictly ~~race~~DBE-neutral DBE Program, contract goals are not applicable to MTS procurements. Should MTS, at a future date, incorporate a ~~race-DBE~~conscious component to its DBE Program, it will then use contract goals to meet any portion of the overall goal MTS does not project being able to meet using ~~race~~DBE-neutral means. As required by *Western States Paving*, if MTS incorporates a ~~race~~DBE-conscious DBE Program, MTS will gather evidence to determine if discrimination in the transportation contracting industry is present. MTS will make a determination at that time what type of evidence gathering is appropriate, based on DBE regulations and case law.

### A. Methodology for Setting Overall DBE Goals (49 CFR § 26.45; 26.49)

In accordance with § 26.45(e)(3), and with FTA approval, MTS will establish an overall program goal on a triennial basis. The overall

program goal will represent the amount of DOT-assisted funds MTS anticipates expending on DBE firms over three years, and will be presented as a percentage of the total DOT assistance received.

The overall program goal will be developed in accordance with the 2-step process specified in § 26.45 (c) & (d). The first step is to determine the goal "base figure" based on the relative availability of DBEs in MTS's market area. The second step is to adjust the goal "base figure" from Step 1 so that it reflects as accurately as possible the DBE participation MTS would expect in the absence of discrimination based on past participation, a disparity study and/or information about barriers to DBE participation. Annual projections on DBE participation during each fiscal year will be developed as specified by § 26.45 (e)(3)(iii).

Additionally, MTS will provide for public participation in establishing an overall program goal. MTS will publish a notice of the proposed overall program goal on MTS's website and a newspaper of general circulation, informing the public that the proposed goal and its rationale are available for inspection and comment.

Additionally, MTS will consult with minority, women's and general contractor groups, community organizations, and other officials or organizations to solicit information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and MTS's efforts to establish a level playing field for the participation of DBEs.

MTS will submit the overall program goal to DOT in accordance with § 26.45 (f)(2). The overall goal submission to DOT will include a summary of information and comments received during this public comment/participation process and any MTS responses.

MTS will begin using our overall goal on October 1 of each year, unless we have received other instructions from DOT. If we establish a goal on a project basis, we will begin using our goal by the time of the first solicitation for a DOT-assisted contract for the project.

B. Shortfall Analysis and Corrective Action Plan (49 CFR § 26.47)

If at the end of each year, awards/commitments are less than the applicable overall goal, MTS will analyze the reasons for the shortfall and establish specific steps that may enable MTS to meet its overall goal in the next year. MTS will submit its Shortfall Analysis and Corrective Action Plan to the FTA by December 29 for any applicable year.

C. Transit Vehicle Manufacturers (TVM) Certifications (49 CFR § 26.49)

In accordance with § 26.49, MTS will not include TVM vehicle procurements in its overall goal calculation or semiannual reports. MTS will require each TVM, as a condition of being authorized to bid or propose on DOT-assisted transit vehicle procurements, to certify that it has complied with the requirements of this section. Only TVMs listed on FTA's list of eligible TVMs or that have a submitted goal methodology that



has been approved by the FTA or has not been disapproved at the time of solicitation, are eligible to bid on MTS's transit vehicle procurements. Alternatively, MTS may, at its discretion and with DOT approval, establish project-specific goals for DBE participation in the procurement of transit vehicles in lieu of the TVM complying with this element of the program. Within 30 calendar days of making a contract award to a TVM, MTS will submit notice to the FTA regarding the name of the TVM successful bidder and the total dollar value (including the federal share if so requested) of the contract. MTS will also submit additional notifications if options are exercised in subsequent years.

D. RaceDBE-Neutral Measures (49 CFR § 26.51)

MTS will implement the following RaceDBE-neutral measures which are aimed at increasing DBE and other small business concern participation.

1. MTS will hold and/or participate in conferences, which include a networking component to promote teaming opportunities between prospective prime contractors and the DBE and Small Business contracting community. MTS will also actively promote the Small Business conferences, programs, and support services offered by other agencies that have established DBE and Small Business Programs.
2. MTS will provide assistance in overcoming limitations such as inability to obtain bonding or financing or sharing resources regarding technical assistance. Specifically, MTS will, through its website, refer the DBE and Small Business contracting community to the U.S. SBA , Minority Business Development Agency of the Department of Commerce, Procurement Technical Assistance Centers, and San Diego Small Business Development Center.
3. MTS will solicit DBEs and other small business participation by carrying out information on specific contract opportunities. Specifically, MTS will: ensure the inclusion of DBEs and other small businesses on MTS's mailing lists of bidders and/or MTS's e-procurement web based vendor list; make available to prime contractors information on how to view a listing of potential DBE and other small business subcontractors; and provide contracting information in languages other than English, where appropriate and upon request.
4. MTS will advise its contracting community of the benefits of becoming DBE certified, the eligibility requirements to become certified as a DBE, and the online directory of certified DBEs, found at the CUCP website: [https://dot.ca.gov/programs/civil-rights/dbe\\_](https://dot.ca.gov/programs/civil-rights/dbe_)

E. Use of Set-Asides or Quotas (49 CFR § 26.43)

Except as otherwise provided for in Section 26.5(G) (i.e. small business set aside), MTS shall not permit the use of quotas for DBEs on DOT-assisted contracts in accordance with 49 CFR Part 26. Further, MTS



shall not set aside contracts for DBEs on DOT-assisted contracts subject to the regulatory provisions, except in limited and extreme circumstances where no other method could be reasonably expected to redress egregious instances of discrimination.

F. Counting DBE Participation (49 CFR § 26.55)

MTS will count DBE participation toward overall goals as provided in 49 CFR Part 26.55.

MTS will count the value of the work actually performed by the DBE. MTS will not count the participation of a DBE subcontract toward a contractor's final compliance with its DBE obligations on a contract until the amount being counted has actually been paid to the DBE subcontractor.

MTS will count the dollar value of work performed by DBE if currently certified at the time of execution of the contract. MTS will not count the dollar value of work performed under a contract if the DBE is no longer certified.

G. Commercially Useful Function (49 CFR §26.55)

MTS will count expenditures to a DBE firm if the DBE is performing a commercially useful function on that contract. A DBE performs a commercially useful function when it is responsible for execution of the work of the contract and is carrying out its responsibilities by actually performing, managing, and supervising the work involved, and as further described at §26.55.

1. Construction / Maintenance Services

MTS will count the entire amount of that portion of a construction / maintenance contract that is performed by the DBE's own forces, including the cost of supplies and materials obtained by the DBE for the work of the contract, including supplies purchased or equipment leased by the DBE (except if supplies and equipment is purchased or leases from the prime contractor or its affiliate to a DBE subcontractor in which labor costs will only be counted).

2. Bona Fide Services

MTS will count the entire amount of fees or commissions charged by a DBE firm for providing a bona fide service, such as professional, technical, consultant, or managerial services, or for providing bonds or insurance specifically required for the performance of a DOT-assisted contract, provided MTS determines the fee to be reasonable and not excessive as compared with fees customarily allowed for similar services. If services are of a broker, packger or manufacturer representative nature, only the fees or commissions will be counted.

3. Subcontracted Work

When a DBE firm subcontracts part of the work of its contract to another firm, the value of the subcontracted work will be counted only if the DBE's subcontractor is itself a DBE. Work that a DBE subcontracts to a non-DBE firm will not be counted.

#### 4. Joint Venture

When a DBE performs as a participant in a joint venture, MTS will count a portion of the total dollar value of the contract equal to the distinct, clearly defined portion of the work of the contract that the DBE performs with its own forces.

#### 5. Trucking

When a DBE owns and operates trucking services, MTS will count the entire amount awarded to the DBE firm if it is responsible for the management and supervision of the entire trucking operation for which it is responsible on a particular contract. When a DBE firm leases trucks from another DBE firm, including an owner-operator who is certified as a DBE, MTS will count the total value of the transportation services the lessee DBE provides on the contract.

#### 6. Materials and Supplies

MTS will determine the amount of credit awarded to a DBE firm for the provisions of materials and supplies (e.g., whether a firm is acting as a manufacturer, regular dealer, distributor, or a transaction facilitator) on a contract by contract basis. MTS's system to determine compliance with 49 CFR Section 26.55 will include review of Bidder List responses and/or direct contact by email or phone to determine whether each DBE supplier has the demonstrated capacity to perform a commercially useful function prior to its participation.

If the materials or supplies are obtained from a DBE manufacturer, MTS will count 100 percent of the cost of the materials or supplies.

If the materials or supplies are purchased from a DBE regular dealer, count 60 percent of the cost of the materials or supplies (including transportation costs).

If the materials or supplies are purchased from a DBE distributor that neither maintains sufficient inventory nor uses its own distribution equipment for the products in question, MTS will count 40 percent of the cost of materials or supplies (including transportation costs).

With respect to materials or supplies purchased from a DBE that is neither a manufacturer, a regular dealer, nor a distributor, MTS will count the entire amount of fees or commissions charged that is deemed to be reasonable, including transportation charges for the delivery of materials or supplies. MTS will not count any portion of the cost of the materials and supplies themselves.

## 26.7 REQUIRED CONTRACT PROVISIONS AND ENFORCEMENT

A. Contractor's Assurance Clause Regarding Non-Discrimination (49 CFR § 26.13)

MTS will include a clause in its DOT-assisted contracts that complies with 49 CFR 26.13 and will state, in substantially the same language: *"The contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of Title 49, CFR, Part 26 in the award and administration of MTS's U.S. DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as MTS deems appropriate, which may include, but is not limited to: (1) Withholding monthly progress payments; (2) Assessing sanctions; (3) Liquidated damages; and/or (4) Disqualifying the contractor from future bidding as non-responsible. Contractor shall be required to include this clause in its subcontracts."*

B. Prompt Payment Provisions (49 CFR § 26.29)

The DBE Program found at 49 CFR Part 26 requires that any delay or postponement of payment over 30 calendar days from the prime contractor to any subcontractor, or from subcontractor to any lower-tier subcontractor, for work performed pursuant to their agreements may take place only for good cause and with MTS's prior written approval.

1. Prompt Progress Payments to Subcontractors

In accordance with 49 CFR 26.29, MTS will include a contract clause that will require the prime contractor to pay each subcontractor participating on the contract for satisfactory completion of accepted work no later than 30 calendar days on DOT assisted contracts, or 7 calendar days if a public works contract as required by state law, from the receipt of each payment the prime contractor receives from MTS. Any subcontractor will also be required to pay any lower-tier subcontractors no later than 30 calendar days, or 7 calendar days if a public works contract as required by state law, from the receipt of each payment from the prime contractor. Any delay or postponement of payment over 30 calendar days may occur only for good cause following written approval of MTS. This clause applies to both DBE and non-DBE subcontractors. MTS will also require that the Prime Contractor include this clause in its subcontracts and lower-tier subcontracts related to the performance of a DOT assisted contract.

2. Payment of Retention Withheld from Subcontractor

When MTS declines to hold retainage from prime contractors, in accordance with 49 CFR 26.29, MTS will include a contract clause requiring prime contractors to make prompt and full payment of

any retainage kept by prime contractor to the subcontractor within 30 days after the subcontractor's work is satisfactorily completed. Subcontractors will also be required to make prompt and full payment of any retainage kept by subcontractor to any lower-tier subcontractors within 30 days after the lower-tier subcontractor's work is satisfactorily completed.

When MTS elects to hold retainage from the prime contractor, MTS will provide prompt and regular incremental acceptances of portions of the work on each contract and pay retainage to the prime contractor based on these acceptances. Further, in accordance with 49 CFR 26.29, MTS will include a contract clause that will require the prime contractor to make prompt and full payment of any retainage owed to subcontractors, for satisfactory completion of the subcontractors work, within 30 calendar days on DOT assisted contracts, or seven (7) calendar days if a public works contract as required by state law, after MTS's payment to prime contractor. Subcontractors will also be required to make prompt and full payment of any retainage owed to any lower-tier subcontractors, for satisfactory completion of the lower-tier subcontractors work, no later than 30 calendar days, or 7 calendar days if a public works contract as required by state law, from the receipt of payment from the prime contractor. Any delay or postponement of payment over 30 calendar days may occur only for good cause following written approval of MTS. This clause applies to both DBE and non-DBE subcontractors. MTS will also require that the prime contractor include this clause in its subcontracts and lower-tier subcontracts related to the performance of a DOT assisted contract.

#### 26.8 DBE CERTIFICATION STANDARDS (49 CFR § 26.61-3 26.73; § 26.81; § 26.83a)

As a non-certifying member of the CUCP, MTS will accept DBE certifications from certifying member agencies of the CUCP.

For more information about the certification process or to apply for certification, firms should visit the CUCP website at: <https://dot.ca.gov/programs/civil-rights/dbe>.

#### 26.9 RECORD KEEPING AND MONITORING (49 CFR § 26.11, §29.29, § 26.37)

##### A. Bidders List (49 CFR § 26.11)

MTS will obtain bidder list information consisting of all firms bidding on prime contracts and subcontracts on MTS's DOT-assisted projects/contracts. MTS will enter this data in the DOT's designated system as prescribed at 49 CFR § 26.11. The following information will be included in the bidders list:

1. Firm Name;
2. Full Address (including zip code);
3. Year business was established / years in business;

4. Status as a DBE or non-DBE
  - a. As appropriate and as required by 40 CFR 33.501, MTS may also request status of other certifications, such as MBE and WBE);
5. North American Industry Classification System (NAICS) code for the type of Work bidding on; ~~and~~
- ~~6. Race and gender of firm's majority owner; and~~
- ~~7-6. Annual Range of Gross Receipts.~~

B. Reporting to DOT (49 CFR § 26.11)

MTS will submit to the applicable DOT Operating Administration the "Uniform Report of DBE Awards or Commitments and Payments" semiannually on June 1 and December 1 of each year, as required. The June 1 report will include DBE activity from October 1 through March 31. The December 1 report will include DBE activity from April 1 through September 30. This report presents a summary of DOT-assisted prime contracts and subcontracts that are: awarded or committed to; open; and completed during the applicable reporting period.

Upon request, MTS will compile and submit ad-hoc DBE contract award and progress reports for DOT-assisted projects. Furthermore, MTS will continue to provide reports relative to MTS's DBE Program, as directed. These reports will provide DBE participation information on MTS's ~~race-neutral and gender-neutral contracts on all~~ DOT assisted procurement activities.

C. Information, Confidentiality, Cooperation (49 CFR § 26.109)

MTS will safeguard from disclosure to third parties information that may reasonably be regarded as confidential business information, consistent with Federal Freedom of Information and Privacy Acts (5 U.S.C. 552 and 552a), California Public Records Act (Government Code § 6250 et seq) state, and local law. Notwithstanding the preceding provision, MTS will not release any information that may reasonably be construed as confidential business information to any third party (other than DOT) without the written consent of the firm that submitted the information.

D. Monitoring and Enforcement Mechanisms (49 CFR § 26.29, 26.37)

MTS will implement appropriate mechanisms to ensure compliance with 49 CFR Part 26 requirements by all program participants (e.g., applying legal and contract remedies available under Federal, state and local law).

1. Monitoring Work Committed to DBE

MTS's DBE Program will include a monitoring and enforcement mechanism to ensure that work committed to DBE prime or DBE subcontractors are actually performed by DBEs. This will include a written verification by MTS that contract records have been reviewed and work sites have been monitored to ensure the counting of each DBE's participation is consistent with its function

on the contract and that the work is actually performed by the DBE.

## 2. Running Tally

MTS will use a running tally that provides for a frequent comparison of cumulative DBE awards/commitments to DOT-assisted prime contract awards to determine whether current ~~race~~DBE-neutral measures are projected to be sufficient to meet MTS's overall goal, on an annual basis. MTS utilizes a report within its enterprise resource program that tallies all cumulative DBE awards/commitments to DOT assisted prime contracts to show DBE participation utilization. MTS will run this report monthly and will identify whether adjustments to its ~~race~~DBE-neutral measures may be necessary.

## 3. Termination or Substitution of DBE subcontractors

Should MTS implement a ~~race~~DBE-conscious component to this DBE Program, MTS will require the prime contractor to notify and receive consent from MTS whenever a DBE subcontractor is terminated or substituted.

## 4. Monitoring Prompt Payments and Return of Retainage to DBE and Non-DBE subcontractors

MTS proactively oversees prompt payments and return of retainage to subcontractors and lower-tier subcontractors over the course of any DOT-assisted contract. Such monitoring activities will be accomplished through the following methods: a contract clause in each federally assisted contract that the prime contractor must provide subcontractor payment information to MTS at time of invoicing, at project closeout, and as otherwise requested, as well as a contract clause that requires prime contractors and subcontractors to maintain records of payments to non-DBE and DBE subcontractors and lower-tier subcontractors, for a minimum of three (3) years. In addition, MTS reviews contract payments to subcontractors and lower-tier subcontractors when in receipt of invoices and at contract close out by requesting prime provide subcontractor payment information. Lastly, MTS may use a prompt payment certification form that requires prime contractor and/or subcontractor to certify prompt payments were made to subcontractor or lower-tier subcontractor, as required by the contract.

## 5. Prompt Payment Dispute Resolution

The obligations of prompt payment and release of retainage does not arise if there is a legitimate dispute over a subcontractor's or lower-tier subcontractor's performance. Subcontractor should first attempt to work with the prime contractor regarding whether

subcontractor's work has been satisfactorily performed. If a dispute remains as to whether work has been satisfactorily completed for purposes of prompt payment requirements, notice should be given to the DBELO to take further action. Steps to resolve dispute may include, but are not limited to, conducting a meeting between prime contractor, subcontractor, and MTS project manager to review whether subcontractor work was completed in accordance with contract, plans and specifications.

#### 6. Prompt Payment Complaints

Complaints by subcontractors or lower-tier subcontractors regarding prompt payment should first be directed to the prime contractor and their payment bond surety, if applicable. If affected subcontractor needs assistance in communicating with the prime contractor regarding payment or is unable to resolve payment discrepancies with prime, subcontractor should contact DBELO in writing to initiate the complaint. The complaint should identify specifics regarding the subcontract payment language, items of work in question, and the subcontractor's attempts to obtain payment from the prime contractor and payment bond surety, if applicable.

Upon receipt of a subcontractor's written complaint that contains the above described information, DBELO will contact prime contractor directly, advising them of MTS's receipt of a prompt payment complaint, of prime contractor's responsibility to work with the subcontractor to resolve the dispute and potential enforcement action, as further described in Section 26.9 (D)(5) of this Board Policy. If after notice to the prime there is still no timely and meaningful action by the prime to resolve prompt payment disputes, affected subcontractor may refer the complaint to the responsible FTA contact.

#### 7. Enforcement Action for Noncompliance of Prompt Payment and Return of Retainage

MTS will include a contract clause in its DOT- assisted contracts that any violation of prompt payment requirements, as defined in Section 26.27 (B) of this Board Policy, shall subject the violating prime contractor or subcontractor to: prime contractor not being reimbursed for work performed by subcontractors unless and until the prime contractor ensures that the subcontractors are promptly paid for the work they have satisfactorily completed, contract termination and/or other remedy as deemed appropriate by MTS. If a public works project, then also the sanctions and other remedies specified in Section 7108.5 of the Business and Professions Code and Sections 7201 and 7107 of California Public Contract Code may apply.

#### 8. Enforcement Action for False, Fraudulent or Dishonest Conduct

MTS will bring to the attention of the DOT any false, fraudulent, or dishonest conduct in connection with the program, so that DOT can take the steps provided in § 26.107 (e.g., referral to the Department of Justice for criminal prosecution, referral to the DOT Inspector General, action under suspension and debarment or Program Fraud and Civil Penalties rules).

9. Procurement Protests Alleging Noncompliance with DBE Regulations

MTS Board Policy No. 52 "Procurement of Goods and Services", Section 52.7, describes MTS's procurement protest procedures. If there is a procurement protest alleging noncompliance with DBE regulations on a DOT assisted project, the MTS Procurement Manager will notify the DBELO of the allegation. The DBELO or its designee will investigate and provide findings to the MTS Procurement Manager. The MTS Procurement Manager will respond to the procurement protest accordingly.

Additional DBE Documents (Available from DBELO upon request)

- A. DBE Program Regulations
- B. DBE Program Organizational Chart
- C. Listing of DBE Financial Institutions located within MTS's geographic market area
- D. MTS Goal Setting Methodology
- E. Uniform Report of DBE Awards or Commitments and Payments
- F. DBE Program Related Third-Party Contractor Clauses and Forms

Original Policy approved on 12/6/1984.

Policy revised on 4/28/1988.

Policy revised on 4/25/1991.

Policy revised on 1/26/1995.

Policy revised on 10/16/1997.

Policy revised on 8/12/1999.

Policy revised on 8/10/2000.

Policy revised on 9/27/2001.

Policy revised on 7/25/2002.

Policy revised on 3/11/2004.

Policy revised on 7/22/2004.

Policy revised on 2/16/2012.

Policy revised on 7/16/2015.

Policy revised on 7/26/2018.

Policy revised on 7/25/2019.

Policy revised on 10/14/2021.

Policy revised on 6/20/2024.

Policy revised on 3/13/2025.

Policy revised on 9/17/2026

Attachments: Exhibit A – DBE Policy Statement



Exhibit A – MTS Board Policy No. 26

DBE POLICY STATEMENT

San Diego Metropolitan Transit System (MTS) has established and adopted a Disadvantaged Business Enterprise (DBE) program in accordance with regulations of the U.S. Department of Transportation (DOT), Title 49, Code of Federal Regulations, Part 26 "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs (49 CFR Part 26)." MTS has received Federal financial assistance from the Department of Transportation, and as a condition of receiving this assistance, MTS has signed an assurance that it will comply with 49 CFR Part 26.

It is the policy of MTS to ensure that DBEs as defined in 49 CFR Part 26 have an equal opportunity to receive and participate in MTS's DOT-assisted contracts.

It is also MTS policy to:

1. Ensure nondiscrimination in the award and administration of all MTS contracts and subcontracts;
2. Create a level playing field by which DBEs can compete for and perform in MTS's DOT-assisted contracts;
3. Ensure that the MTS DBE Program is narrowly tailored in accordance with applicable law and current legal standards, including the Ninth Circuit Ruling in *Western States Paving vs. Washington State Department of Transportation*;
4. Ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs;
5. Help remove procurement and contracting barriers, which impede DBE participation in MTS DOT-assisted contracts;
6. Monitor and enforce contractors' compliance in meeting established goal objectives and program requirements;
7. Assist in the development of DBEs and Small Businesses to increase their ability to compete successfully in the market place outside the DBE Program; and
8. Ensure MTS contractors and subcontractors take all necessary and reasonable steps to comply with these policy objectives.

MTS has designated Deputy General Counsel as the DBE Liaison Officer (DBELO). In this capacity, the DBELO is responsible for implementing all aspects of the DBE program.

This signed and dated policy statement expresses MTS's commitment to pursuing the objectives of the DBE Program.

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Sharon Cooney  
Chief Executive Officer

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Date



**Metropolitan  
Transit  
System**

**DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 9/3/26**

**Agenda Item No. 27**

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

**September 17, 2026**

**SUBJECT:**

**Mills Building Fire Sprinkler Repairs – Change Order**

**AGENDA ITEM WILL  
BE PROVIDED  
BEFORE BOARD  
MEETING**





**Metropolitan  
Transit  
System**

**DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 9/3/2026**

## **Agenda Item No. 28**

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

**September 17, 2026**

**SUBJECT:**

**Kearny Mesa Transit Center (KMTCC) Redevelopment – Work Order Agreement – Work Order Agreement**

# **AGENDA ITEM WILL BE PROVIDED BEFORE BOARD MEETING**





**Metropolitan  
Transit  
System**

**DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 9/3/2026**

## **Agenda Item No. 29**

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

**September 17, 2026**

**SUBJECT:**

**License Agreement for a Copley Park Division Digital Information Board Project**

# **AGENDA ITEM WILL BE PROVIDED BEFORE BOARD MEETING**

**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 multiple cities in San Diego County.





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**DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 9/3/2026**

## **Agenda Item No. 30**

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

**September 17, 2026**

**SUBJECT:**

Fiscal Year (FY) 2027 Transportation Development Act (TDA) Claim

**RECOMMENDATION:**

That the San Diego Metropolitan Transit System (MTS) Board of Directors adopt Resolution Nos. 26-19 (in substantially the same format as Attachment A), 26-20 (in substantially the same format as Attachment B), and 26-21 (in substantially the same format as Attachment C) approving FY 2027 TDA Article 4.0, 4.5, and 8.0 claims allocating \$137,273,612 in TDA revenues for MTS.

**Budget Impact**

The FY 2027 TDA claims would result in the approval of \$137,273,612 in TDA funds for MTS to be utilized in the FY 2027 operating and capital budgets.

**DISCUSSION:**

The TDA provides one-quarter percent of the state sales tax for operating and capital support of public transportation systems and non-motorized transportation projects. The San Diego Association of Governments (SANDAG), as the designated Regional Transportation Planning Agency, is responsible for the allocation of TDA funds to the region's cities, the County, and transit operators. At its February 27, 2026, meeting, the SANDAG Board of Directors approved the San Diego County Auditor's estimate of \$207,794,942 for the FY 2027 TDA apportionment.

A Master Memorandum of Understanding (MOU) exists between SANDAG, MTS, and the North County Transit – San Diego Railroad (NCTD) with respect to the functions and responsibilities transferred to SANDAG as a result of Senate Bill (SB) 1703 (Peace, 2003). Pursuant to the MOU, both transit agencies transfer TDA funding to SANDAG annually to pay for the administrative and planning functions that transferred to SANDAG as a result of the SB 1703 consolidation. The MOU is updated as circumstances change. For FY 2027, \$2,986,538 in funding will remain with SANDAG for transferred administrative and planning functions.

TDA allocations are authorized under four separate articles of the law. Article 4 funds are used to provide general public transit services. Article 4.5 funds are designated for community transit



services, and pursuant to SANDAG Board Policy No. 027, are allocated within the San Diego region to support paratransit services required by the Americans with Disabilities Act (ADA). Article 8 funds support specialized services such as express bus and ferry services.

A total of \$137,273,612 is estimated to be allocated to MTS for FY 2027. This includes:

- \$129,518,384 in TDA Article 4.0 claims
  - \$125,676,806 of which will fund operating activities
  - \$3,841,578 will fund the capital improvement program
- \$6,879,627 in Article 4.5 claims to fund the MTS Access Paratransit services; and
- \$875,601 in Article 8.0 claims to fund the ferry/commuter express services.

Actual revenue for MTS will be dependent on regional TDA sales tax receipts meeting the regional estimate, allowing MTS to receive up to the claimed amounts. If regional cash receipts do not meet the estimated totals, there is a reserve held by the County of San Diego to cover shortfalls, or in certain situations, MTS could receive less than these claimed amounts.

Therefore, staff recommend that the MTS Board of Directors adopt Resolution Nos. 26-19 (in substantially the same format as Attachment A), 26-20 (in substantially the same format as Attachment B), and 26-21 (in substantially the same format as Attachment C) approving FY 2027 TDA Article 4.0, 4.5, and 8.0 claims allocating \$137,273,612 in TDA revenues for MTS.

/s/ Sharon Cooney  
Sharon Cooney  
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, <mailto:Julia.Tuer@sdmts.com>

Attachments: A. Resolution No. 26-19  
B. Resolution No. 26-20  
C. Resolution No. 26-21

**San Diego Metropolitan Transit System  
Authorizing Resolution**

**Resolution Number 26-19**

**Resolution Approving Fiscal Year 2027 (FY) Transportation Development Act, Article 4.0**

WHEREAS, effective August 10, 2000, the San Diego Metropolitan Transit System (MTS) area consolidated Transportation Development Act (TDA) claim process provides that MTS will be responsible for submitting a single claim for each article of the TDA for all MTS operators; and

WHEREAS, consistent with the intent of consolidating all transit funding for MTS-area operators, the San Diego Association of Governments (SANDAG) approved the MTS FY 2027 TDA claim, and

WHEREAS, MTS and SANDAG Boards must approve any alternate use of said balances differing from that for which they were originally claimed; and

WHEREAS, MTS and SANDAG staffs have analyzed this amendment and found it to be warranted pursuant to Section 6659 of Title 21 of the California Code of Regulations (CCR);

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED that the MTS Board of Directors does hereby approve the FY 2027 TDA Article 4.0 MTS TDA claim of \$129,518,384; \$125,676,806 of the 4.0 TDA claim will be used for operating activities, and the remaining \$3,841,578 will be used to fund capital.

PASSED AND ADOPTED by the Board of Directors this 17 day of September 2026, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

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Chairperson  
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

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Clerk of the Board  
San Diego Metropolitan Transit System

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Office of the General Counsel  
San Diego Metropolitan Transit System

**San Diego Metropolitan Transit System  
Authorizing Resolution**

**Resolution Number 26-20**

**Resolution Approving Fiscal Year (FY) 2027 Transportation Development Act, Article 4.5**

WHEREAS, effective August 10, 2000, the San Diego Metropolitan Transit System (MTS) area consolidated Transportation Development Act (TDA) claim process provides that MTS will be responsible for submitting a single claim for each article of the TDA for all MTS operators; and

WHEREAS, consistent with the intent of consolidating all transit funding for MTS-area operators, the San Diego Association of Governments (SANDAG) approved the MTS FY 2027 TDA claim, and

WHEREAS, MTS and SANDAG Boards must approve any alternate use of said balances differing from that for which they were originally claimed; and

WHEREAS, MTS and SANDAG staffs have analyzed this amendment and found it to be warranted pursuant to Section 6659 of Title 21 of the California Code of Regulations (CCR);

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED that the MTS Board of Directors does hereby approve the FY 2027 TDA Article 4.5 MTS TDA claim of \$6,879,627. The allocation will be used to fund the MTS Access Paratransit services.

PASSED AND ADOPTED by the Board of Directors this 17 day of September 2026, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

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Chairperson  
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

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Clerk of the Board  
San Diego Metropolitan Transit System

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Office of the General Counsel  
San Diego Metropolitan Transit System



## **San Diego Metropolitan Transit System Authorizing Resolution**

### **Resolution Number 26-21**

#### **Resolution Approving Fiscal Year (FY) 2027 Transportation Development Act, Article 8.0**

WHEREAS, effective August 10, 2000, the San Diego Metropolitan Transit System (MTS) area consolidated Transportation Development Act (TDA) claim process provides that MTS will be responsible for submitting a single claim for each article of the TDA for all MTS operators; and

WHEREAS, consistent with the intent of consolidating all transit funding for MTS-area operators, the San Diego Association of Governments (SANDAG) approved the MTS FY 2027 TDA claim, and

WHEREAS, MTS and SANDAG Boards must approve any alternate use of said balances differing from that for which they were originally claimed; and

WHEREAS, MTS and SANDAG staffs have analyzed this amendment and found it to be warranted pursuant to Section 6659 of Title 21 of the California Code of Regulations (CCR);

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED that the MTS Board of Directors does hereby approve the FY 2027 TDA Article 8.0 MTS TDA claim of \$875,601. The allocation will be used to fund the ferry/commuter express services.

PASSED AND ADOPTED by the Board of Directors this 17 day of September 2026, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

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Chairperson  
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

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Clerk of the Board  
San Diego Metropolitan Transit System

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Office of the General Counsel  
San Diego Metropolitan Transit System



**Metropolitan  
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System**

**DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 9/3/2026**

## **Agenda Item No. 31**

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

**September 17, 2026**

**SUBJECT:**

**Sale of Twelve (12) Motor Coach Industries, Inc. (MCI) 45-foot D4500 Compressed Natural Gas (CNG) Commuter Coaches**

**RECOMMENDATION:**

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

- 1) Negotiate the sale of twelve (12) MCI CNG buses (8500 Series); and
- 2) Take all actions necessary to fulfill the sale and transfer of vehicles, including executing Memorandum of Understanding (MOU) agreements for the sale of the vehicles.

**Budget Impact**

The estimated sale cost per vehicle is approximately \$90,913.21, for a total estimated cost of \$1,090,959 for all twelve buses. Proceeds from the sale of MTS vehicles will be recorded to the MTS Revenue Operations Budget account 901010-440200.

**DISCUSSION:**

In 2019, MTS procured twenty-four (24) MCI over-the-road CNG coach buses to exclusively support MTS's Interstate-15 commuter express service, operating Monday through Friday during peak periods. The fleet consists of 2020 model-year vehicles, each with an average accumulated mileage of approximately 120,000 miles. Since the COVID-19 pandemic, commuting patterns have changed significantly, and ridership on these services has not returned to pre-pandemic levels. As a result, the current level of service demand no longer supports a fleet of 24 vehicles.

Maintaining a fleet of 24 vehicles to support a current peak service requirement of 10 vehicles results in an excessive spare ratio and ongoing maintenance, inspection, storage, and support costs for vehicles that are not required for daily operations. Because the MCI coaches are specialized commuter vehicles with limited applicability to other MTS services, the excess vehicles cannot be readily redeployed elsewhere in the system. Reducing the MCI fleet by up to 12 vehicles would better align fleet size with current operational requirements, reduce the



resources and costs associated with maintaining underutilized assets, and move MTS closer to compliance with Federal Transit Administration (FTA) spare ratio guidelines.

The proposed sale of vehicles involves up to twelve (12) MCI D4500 commuter coach vehicles that were acquired with FTA funding under the Urbanized Area Formula Program, with federal participation covering eighty percent (80%) of the original acquisition cost. Because the vehicles have not yet reached the FTA established minimum useful life requirement of 12 years or 500,000 miles, a continuing federal interest remains in the assets. As a result, MTS must comply with applicable federal requirements governing the disposition of federally funded vehicles to ensure that the federal investment is protected and the vehicles continue to serve an eligible public transportation purpose.

The sale will be conducted in accordance with applicable FTA requirements, including FTA Circular 5010.1F and 2 CFR § 200.313, which permit the transfer of federally funded assets while preserving the remaining useful life and federal interest associated with the vehicles. Consistent with these requirements, the value of each vehicle will be calculated based on its remaining netbook value attributable to the local, non-federal twenty percent (20%) share of the original acquisition cost. The purchaser will assume responsibility for all future operation, maintenance, registration, transportation, and disposition requirements associated with the vehicles, as well as all applicable federal obligations during the remainder of the vehicles' useful lives.

Vehicle-specific pricing will be determined using the remaining useful life and depreciation schedules established for the fleet. Based on the current depreciation schedule, the purchase price will be approximately \$90,913.21 per vehicle if the sale occurs in September 2026, or \$89,783.85 per vehicle if the sale occurs in October 2026, with the final amount determined by the actual month of sale.

Per MTS Board Policy No. 33 (Capital Asset Disposal), Section 33.3 – Negotiated Sale, capital assets with an individual value exceeding \$10,000 or an aggregate value exceeding \$25,000 may be disposed of through a negotiated sale, subject to Board approval. If approved, the Board may authorize the CEO to negotiate the sale price.

Therefore, staff recommends that the MTS Board of Directors:

- 1) Authorize the CEO to negotiate the sale of twelve (12) MCI CNG buses (8500 Series); and
- 2) Authorize the CEO to take all actions necessary to fulfill the sale and transfer of vehicles, including executing MOU agreements for the sale of the vehicles.

/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)



**Metropolitan  
Transit  
System**

**DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 9/3/26**

**Agenda Item No. 32**

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

**September 17, 2026**

**SUBJECT:**

**IAD & KMD Fluid Distribution System Replacement – Work Order Agreement**

**AGENDA ITEM WILL  
BE PROVIDED  
BEFORE BOARD  
MEETING**





**Metropolitan  
Transit  
System**

**DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 9/3/2026**

## **Agenda Item No. 33**

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

**September 17, 2026**

**SUBJECT:**

**Overhead Catenary System (OCS) Project – Amendment 17 Scope of Work (SOW)**

# **AGENDA ITEM WILL BE PROVIDED BEFORE BOARD MEETING**

