

# County Connection

2477 Arnold Industrial Way    Concord, CA 94520-5326    (925) 676-7500    countyconnection.com

## **BOARD OF DIRECTORS MEETING AGENDA**

**Thursday, October 15, 2015  
9:00 a.m.**

**CCCTA Paratransit Facility  
Gayle B. Uilkema Memorial Board Room  
2477 Arnold Industrial Way  
Concord, California**

The County Connection Board of Directors may take action on each item on the agenda. The action may consist of the recommended action, a related action or no action. Staff recommendations are subject to action and/or change by the Board of Directors.

- 1) Call to Order/Pledge of Allegiance
- 2) Roll Call/Confirm Quorum
- 3) Public Communication
- 4) Consent Calendar
  - a. Approval of Minutes of Regular Meeting of September 17, 2015\*
  - b. CCCTA Investment Policy-Quarterly Reporting Requirement\*
- 5) Report of Chair
- 6) Report of General Manager
  - a. Recognition of Employees with 30 Years of Service
  - b. Report on the APTA Conference
  - c. Update the Board on County Connection staff interactions regarding Contra Costa Transit Authority's Transportation Expenditure Plan (TEP) Development
  - d. Update on Federal Transportation Reauthorization Activities
- 7) Report of Standing Committees
  - a. Administration & Finance Committee  
(Committee Chair: Don Tatzin)
    - 1) Authorize Execution of Amended and Restated Clipper Memorandum of Understanding\*  
Resolution No. 2016-008\*  
(The A & F Committee recommends that the Board approve Resolution No. 2016-008 which authorizes the General Manager to execute the Amended and Restated

Clayton • Concord • Contra Costa County • Danville • Lafayette • Martinez  
Moraga • Orinda • Pleasant Hill • San Ramon • Walnut Creek

**CENTRAL CONTRA COSTA TRANSIT AUTHORITY**

Clipper Memorandum of Understanding with the Metropolitan Transportation Commission (MTC) and Bay Area transit operators.)

b. Operations & Scheduling Committee

(Committee Chair: Candace Andersen)

1) Leased Tires and Related Services Contract\*

Resolution No. 2016-009\*

(The O & S Committee recommend that the Board authorize the General Manager to award a contract to TheGoodyear Tire & Rubber Company for a five (5) year period at the guaranteed rates specified in their bid for Leased tires and Related Services.)

2) Passenger Suspension/Exclusion Policy\*

Resolution No. 2016-010\*\*

(The O & S Committee recommends that the Board approve the Passenger Suspension/Exclusion Policy.)

8) Board Communication

Under this item, Directors are limited to providing information, asking clarifying questions about matters not on the agenda, responding to public comment, referring matters to committee or staff for information, or requesting a report (on any matter) be made at another meeting.

9) Adjournment

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\*Enclosure

\*\*It will be available at the Board meeting.

## General Information

Possible Action: The Board may act upon any item listed on the agenda.

Public Comment: Each person wishing to address the County Connection Board of Directors is requested to complete a Speakers Card for submittal to the Clerk of the Board before the meeting convenes or the applicable agenda item is discussed. Persons who address the Board are also asked to furnish a copy of any written statement to the Clerk. Persons who wish to speak on matters set for Public Hearings will be heard when the Chair calls for comments from the public. After individuals have spoken, the Public Hearing is closed and the matter is subject to discussion and action by the Board.

A period of thirty (30) minutes has been allocated for public comments concerning items of interest within the subject matter jurisdiction of the Board. Each individual will be allotted three minutes, which may be extended at the discretion of the Board Chair.

Consent Items: All matters listed under the Consent Calendar are considered by the Board to be routine and will be enacted by one motion. There will be no separate discussion of these items unless requested by a Board Member or a member of the public prior to when the Board votes on the motion to adopt.

Availability of Public Records: All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body, will be available for public inspection at 2477 Arnold Industrial Way, Concord, California, at the same time that the public records are distributed or made available to the legislative body. The agenda and enclosures for this meeting are posted also on our website at [www.countyconnection.com](http://www.countyconnection.com).

Accessible Public Meetings: Upon request, County Connection will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, phone number and brief description of the requested materials and preferred alternative format or auxiliary aid or service so that it is received by County Connection at least 48 hours before the meeting convenes. Requests should be sent to the Board Clerk, Lathina Hill, at 2477 Arnold Industrial Way, Concord, CA 94520 or [hill@countyconnection.com](mailto:hill@countyconnection.com)

Shuttle Service: With 24-hour notice, a County Connection LINK shuttle can be available at the North Concord BART station for individuals who want to attend the Board meetings. To arrange for the shuttle service, please call Robert Greenwood – 925/680 2072, no later than 24 hours prior to the start of the meeting.

### Currently Scheduled Board and Committee Meetings

Board of Directors:	Thursday, November 19, 9:00 a.m., County Connection Board Room
Administration & Finance:	Wednesday, October 28, 9:00 a.m. 1676 N. California Blvd., Suite 620, Walnut Creek, CA
Advisory Committee:	TBA, County Connection Board Room
Marketing, Planning & Legislative:	Thursday, November 5, 8:30 a.m., 2477 Arnold Industrial Way, Concord, CA
Operations & Scheduling:	Friday, November 6, 8:00a.m., Supervisor Andersen's Office 309 Diablo Road, Danville, CA

**The above meeting schedules are subject to change. Please check the County Connection Website ([www.countyconnection.com](http://www.countyconnection.com)) or contact County Connection staff at 925/676-1976 to verify date, time and location prior to attending a meeting.**

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# County Connection

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Concord, CA 94520-5326

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Agenda Item No. 4.a.

## CCCTA BOARD OF DIRECTORS

### MINUTES OF THE REGULAR MEETING

September 17, 2015

#### CALL TO ORDER/ROLL CALL/CONFIRM QUORUM

Chair Dessayer called the regular meeting of the Board of Directors to order at 9 a.m. Board Members present were Directors Andersen, Hudson, Manning, Noack, Schroder, Storer, and Tatzin. Director Hoffmeister arrived after the meeting convened. Director Simmons and Worth were absent.

Staff: Ramacier, Chun, Barnes, Casenave, Churchill, Hill, Lever, Manning, Martinez, Mitchell, Muzzini, and Rettig.

**PUBLIC COMMENT:** None

#### CONSENT CALENDAR

**MOTION:** Director Manning moved approval of the Consent Calendar, consisting of the following items: (a) Approval of Minutes of Regular Meeting of August 20, 2015; (b) Approval of Equal Employment Opportunity/Affirmative Action Program Update for 2015 and Revised EEO/AA Program Policy, Resolution No. 2016-006; (c) Investment Policy, Resolution No. 2016-007. Director Storer seconded the motion and it received the following vote of approval:

Aye: Directors Andersen, Dessayer, Hudson, Manning, Noack, Schroder, Storer and Tatzin  
No: None  
Abstain: None  
Absent: Directors Hoffmeister, Simmons and Worth

#### REPORT OF CHAIR:

##### Seating of CCCTA Officers

Chair Dessayer thanked the Board for all of their support for this past year and introduced the new Chair Robert Storer, the first Chair from Danville in 13 years. Chair Storer commended Director Dessayer for his leadership this past year, his wealth of knowledge and dedication to County Connection. Each of the board members commended Director Dessayer for his service and contributions.

Chair Storer assigned the Board members to their 2015-2016 committee assignments:

##### Administration & Finance Committee:

Directors Dessayer, Noack, Simmons and Tatzin

Marketing, Planning & Legislative Committee

Directors Manning, Schroder and Worth

Operations & Scheduling Committee

Directors Andersen, Hoffmeister and Hudson

**REPORT OF GENERAL MANAGER:**

Recognition of Employees with 30 Years of Service

(Director Hoffmeister arrived.)

Andre Lever-Transportation

Ken Manning-Transportation

Update on PEPRA and County Connection Federal Grants

General Manager Rick Ramacier stated that when the agenda was printed this item was going to be an information item only. Since then, there have been developments on a pending federal grant to County Connection such that action by the Board is needed. The U.S. Department of Labor and Federal Transit Administration have requested that County Connection acknowledge certain conditions that DOL has imposed to certify the grant. Rick explained the current status of the litigation between the State, Sacramento RTD and the Department of Labor concerning the effect of PEPRA on 13(c) labor protection obligations, and the conditional letter of acceptance that has been drafted by legal counsel to accept the DOL conditions. He further explained the use of TDA funds as an advance for anticipated federal grant funds for the bus purchase. After a lengthy discussion a motion was made.

**MOTION:** Director Dessayer moved that the Board (1) authorize the General Manager Rick Ramacier to send letters to the FTA, MTC and the Department of Labor acknowledging the DOL conditions; and (2) ratify the prior use of TDA funds as an advance pending the receipt of the federal grant CA 34-00-32. Director Hoffmeister seconded the motion and it received the following vote of approval:

Aye: Directors Andersen, Dessayer, Hoffmeister, Hudson, Manning, Noack, Schroder, Storer and Tatzin  
No: None  
Abstain: None  
Absent: Directors Simmons and Worth

**REPORT OF STANDING COMMITTEES**

**Marketing, Planning & Legislative Committee**

Update on State of California Extraordinary Session

Director Schroder introduced the item to the Board and turned the floor over to Kristina Martinez. She stated the regular session has adjourned at this point and won't meet again until sometime in the fall, no meetings are scheduled as of right now.

**Operating & Scheduling Committee**

Update on Clipper Implementation

Anne Muzzini stated Clipper is well on its way. County Connection's mechanics have been trained on the Clipper program, and training is underway for our customer service representatives. The bus operators will be trained as well. The Clipper software is on site, and we look forward to being live on November 1<sup>st</sup>, 2015.

**BOARD COMMUNICATION: None**

**Closed Session:**

At 9:43 a.m. Chair Storer announced that the Board will go into closed session to confer regarding Public Employee Performance Evaluation pursuant to Government Code Section 54957, Position: General Manager.

**Open Session:**

Chair Storer stated that the Board met in closed session to review the General Manager's performance goals. He stated that he would like to schedule a Board workshop on October 29, 2015 at 9 a.m. to review current policies regarding financial reserve and long range planning. No further action was made.

**ADJOURNMENT:** Chair Storer adjourned the regular Board meeting at 9:53 a.m.

Minutes prepared by

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Lathina Hill  
Assistant to the General Manager

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Date

**TO:** Board of Directors

**DATE:** September 24, 2015

**FROM:** Rick Ramacier  
General Manager

**SUBJECT:** CCCTA Investment Policy – Quarterly Reporting Requirement

Attached please find CCCTA's Quarterly Investment Policy Reporting Statement for the quarter ending June 30, 2015.

This certifies that the portfolio complies with the CCCTA Investment Policy and that CCCTA has the ability to meet the pool's expenditure requirements (cash flow) for the next six (6) months.

**CCCTA**  
**BANK CASH AND INVESTMENT ACCOUNTS**  
 (ROUNDED OFF TO NEAREST \$)

FINANCIAL INST	ACCT #	TYPE	PURPOSE	PER BANK	PER BANK	PER BANK	PER BANK	PER GL *
				DECEMBER 2014	MARCH 2015	JUNE 2015	JUNE 2015	
FIXED ROUTE								
First Republic Bank	1106171	CHECKING	A/P General Account-Fixed Route	\$ 1,588,840	\$ 565,535	\$ -	\$ -	\$ 660,172
First Republic Bank	1106198	CHECKING	PAYROLL	\$ 29,078	\$ 48,693	\$ -	\$ -	\$ 47,452
First Republic Bank	1015001	CHECKING	CAPITAL PURCHASES	\$ 143,604	\$ -	\$ -	\$ -	\$ -
First Republic Bank	1402595	CHECKING	WORKER'S COMP-CORVEL	\$ 50,364	\$ 60,089	\$ -	\$ -	\$ -
First Republic Bank	1106228	CHECKING	PASS SALES	\$ 947	\$ -	\$ -	\$ -	\$ -
First Republic Bank	800-0097-1896	Money Market	OnBoardCam-TSGP 2012	\$ 131	\$ -	\$ -	\$ -	\$ -
First Republic Bank	80001361790	Money Market	INFO TRANSIT SYS MAINTENANCE-CLEVER DEV	\$ 116,931	\$ -	\$ -	\$ -	\$ -
UNION BANK	274-00-26650	CHECKING	AP GENERAL	\$ -	\$ 1,381,623	\$ 665,390	\$ -	\$ 665,627
UNION BANK	274-00-26693	CHECKING	PAYROLL	\$ -	\$ 113,210	\$ 30,094	\$ -	\$ 41,051
UNION BANK	274-00-26723	CHECKING	CAPITAL PURCHASES	\$ -	\$ 27,876	\$ 225,720	\$ -	\$ 225,721
UNION BANK	274-00-26715	CHECKING	WORKER'S COMP-CORVEL	\$ -	\$ 31,847	\$ 60,639	\$ -	\$ 60,639
UNION BANK	274-00-26685	CHECKING	PASS SALES	\$ -	\$ 141,016	\$ 41,782	\$ -	\$ 46,462
UNION BANK	274-00-26707	Money Market	INFO TRANSIT SYS MAINTENANCE-CLEVER DEV	\$ -	\$ 116,932	\$ 116,932	\$ -	\$ 116,932
PAYPAL	27SAXUFL9732	CHECKING	PAYPAL-PASS SALES	\$ 3,789	\$ 14,015	\$ 7,655	\$ -	\$ 7,655
<b>PARATRANSIT</b>			<b>TOTAL</b>	<b>\$ 1,933,683</b>	<b>\$ 2,500,836</b>	<b>\$ 1,148,212</b>	<b>\$ 1,871,711</b>	
First Republic Bank	1049584	CHECKING	CAPITAL PURCHASES	\$ 3,520	\$ -	\$ -	\$ -	\$ -
First Republic Bank	1106244	CHECKING	A/P General Account-Paratransit	\$ 246,951	\$ 50,270	\$ 1,007,818	\$ -	\$ 596,419
UNION BANK	274-00-26669	CHECKING	AP GENERAL	\$ -	\$ 385,306	\$ 1,007,818	\$ -	\$ 596,419
<b>LAIF FUND</b>			<b>TOTAL</b>	<b>\$ 250,471</b>	<b>\$ 435,577</b>	<b>\$ -</b>	<b>\$ 596,419</b>	
LAIF ACCOUNT	4007001	INT-INVEST	OPERATING FUNDS	\$ 5,010,066	\$ 5,013,131	\$ 1,286,419	\$ -	\$ 1,286,419
LAIF ACCOUNT		INT-INVEST	Pacheco Transit Center	\$ 285,355	\$ 285,538	\$ 285,721	\$ -	\$ 285,721
LAIF ACCOUNT		INT-INVEST	Rolling stock-2012	\$ -	\$ -	\$ -	\$ -	\$ -
LAIF ACCOUNT		INT-INVEST	Rolling Stock-1011 VANS	\$ -	\$ -	\$ -	\$ -	\$ -
LAIF ACCOUNT		INT-INVEST	Rolling Stock-2013	\$ -	\$ -	\$ -	\$ -	\$ -
LAIF ACCOUNT		INT-INVEST	2014-15 ROLLING STOCK	\$ 3,066,417	\$ 5,648,692	\$ 5,675,393	\$ -	\$ 5,675,393
LAIF ACCOUNT		INT-INVEST	Martinez Stop Project	\$ 41	\$ -	\$ -	\$ -	\$ -
LAIF ACCOUNT		INT-INVEST	Lifeline Bus Stop Access	\$ -	\$ -	\$ -	\$ -	\$ -
LAIF ACCOUNT		INT-INVEST	Facility Rehab	\$ 3,401,855	\$ 3,404,035	\$ 3,407,009	\$ -	\$ 255,194
LAIF ACCOUNT		INT-INVEST	SAFE HARBOR LEASE RESERVE	\$ 1,441,939	\$ 1,442,863	\$ 1,443,788	\$ -	\$ 3,407,009
<b>CCCTA EMPLOYEE</b>			<b>TOTAL</b>	<b>\$ 13,205,673</b>	<b>\$ 15,794,259</b>	<b>\$ 12,353,524</b>	<b>\$ 12,353,524</b>	
First Republic Bank	1402153	CHECKING	EMPLOYEE FITNESS FUND	\$ 12,705	\$ -	\$ -	\$ -	\$ -
First Republic Bank	800-0136-0834	CHECKING	EMPLOYEE FUNCTION	\$ 325	\$ -	\$ -	\$ -	\$ -
UNION BANK	274-00-26677	CHECKING	EMPLOYEE FITNESS FUND	\$ -	\$ 11,695	\$ 12,562	\$ -	\$ 12,562
UNION BANK	274-00-26502	CHECKING	EMPLOYEE FUNCTION	\$ -	\$ 355	\$ 505	\$ -	\$ 505
<b>GRAND TOTAL</b>				<b>\$ 15,402,858</b>	<b>\$ 18,742,722</b>	<b>\$ 13,514,803</b>	<b>\$ 14,834,721</b>	

9/24/2015 9:43

\* Per GL balances reduced by outstanding checks and increased by deposit in transit, if any.

This is to certify that the portfolio above complies with the CCCTA Investment Policy and that CCCTA has the ability to meet its expeditures( cash flow) for the next six months.

  
 Rick Ramacier  
 General Manager



To: Board of Directors

Date: October 8, 2015

From: Anne Muzzini (drafted by Madeline Chun)

Reviewed by:

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**SUBJECT: AUTHORIZE EXECUTION OF AMENDED AND RESTATED CLIPPER®  
MEMORANDUM OF UNDERSTANDING**

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**Recommendation:**

The Administration and Finance Committee recommends that the Board approve resolution #2016-008 which authorizes the General Manager to execute the Amended and Restated Clipper® Memorandum of Understanding (Amended MOU) with the Metropolitan Transportation Commission (MTC) and Bay Area transit operators.

**Summary:**

The Amended and Restated Clipper MOU was developed collaboratively by MTC and the participating transit agencies to restructure their respective roles and responsibilities. Specifically, the proposed MOU establishes and defines the roles for a Clipper Executive Board, a Clipper Executive Director, and a Contracting Agency, in addition to clarifying the roles of MTC and the participating transit agencies. The MOU also revises the Cost Allocation Formula and provides for review of the formula at least every two years to ensure successful operation and maintenance of Clipper. The Central Contra Costa Transit Authority General Manager will serve on the Clipper Executive Board.

**Background:**

Clipper is the automated regional fare payment system used by 20 million customers a month on 20 transit systems. MTC and seven transit agencies entered into a MOU effective November 10, 2011 (2011 MOU) whereby MTC manages the Clipper electronic fare payment system. MTC contracted with Cubic Transportation Systems, Inc. to implement, operate and maintain the Clipper fare payment system through November 2, 2019. Since 2011, an additional 15 transit agencies have or will sign on to the 2011 MOU. The 2011 MOU has been amended twice.

The 2011 MOU specified MTC's responsibilities, the transit agencies' responsibilities, the consultation process for amending the Clipper Operating Rules, the method by

which MTC and transit operators divide Clipper costs and revenues, and a dispute resolution process.

In September 2014, MTC received correspondence from transit agency general managers which outlined the transit agencies' desire to have more input and control over the current Clipper system and plans for the next generation of the Clipper system. Over several months, the transit agency general managers and the MTC executive director met regularly to discuss how best to implement this greater degree of input and control for transit agencies. Ultimately, it was mutually agreed to amend and restate the 2011 Clipper MOU.

Summarized below are the key elements of the Amended MOU, which will replace the 2011 MOU. Provisions of the 2011 MOU are noted in italics.

## **1. Clipper Executive Board**

- Establishes a nine-member Executive Board, comprised of one representative from San Francisco Municipal Transportation Agency (SFMTA), Bay Area Rapid Transit (BART), Caltrain/SamTrans, AC Transit, Santa Clara Valley Transportation Agency (VTA), the Golden Gate Bridge, Highway and Transportation District, and MTC, and two representatives selected to represent all other participating agencies.
- The Executive Board will be responsible for developing and evaluating performance goals, adopting a detailed biennial work plan and budget, designating the "Contracting Agency", and approval of all business matters expected to have a substantial fiscal or operating impact.
- *Under the 2011 MOU, MTC maintains sole authority for these actions.*

## **2. Contracting Agency**

- Establishes a Contracting Agency to procure, award and manage contracts, and carry out the duties and responsibilities necessary for the expansion, modification, modernization, operation, maintenance, marketing and customer service of the Clipper program.
- The Contracting Agency will be responsible for holding and managing the Clipper bank accounts and act as an agency in trust for the funds deposited by the cardholders for the ultimate use with the Operators, and for the benefit of the Operators for funds due.
- Provide staffing to support the Clipper program.
- *MTC currently fulfills the role of the Contracting Agency.* MTC will continue as the initial Contracting Agency under the Amended MOU. The Executive Board

may renew this designation every three years and assign this role to a participating transit agency, with the approval of the Contracting Agency and its proposed successor.

### **3. Clipper Executive Director**

- Establishes the position of the Clipper Executive Director, responsible for regional coordination of the program among the Agencies, oversight of consultants and contractors retained for the design, operation and maintenance of the program, and effectuation of the goals and work plan adopted by the Executive Board in accordance with the budget.
- The Clipper Executive Director will be selected and appointed by the Contracting Agency following consultation with the Executive Board. The initial Clipper Executive Director will be Carol Kuester, an employee of MTC.
- *Currently, there is no Executive Director.*

### **4. Cost and Revenue Allocation Formula**

- *The current allocation of Clipper operating costs was developed prior to wide scale implementation of the program and is based on a formula of 2/3 transactions and 1/3 revenue.*
- *Credit card fees for agencies operating ticket vending or add-value machines outside of the Clipper gateway are absorbed by those agencies and currently exceed two million dollars per year.*
- Agencies have determined that the current allocation formula is not equitable and have developed a revised formula, outlined in Appendix B of the Amended MOU, that aligns actual cost drivers and usage of the system with the allocation amounts.
- As the proposed change will result in increased costs to most agencies, it is proposed that the increases be phased in, with the addition of agency credit card fees effective July 1, 2016 and the implementation of the new model effective January 1, 2017.

### **5. Program Goals and Performance Measures**

- The Amended MOU includes Program Goals and Performance Measures intended to guide the development and ongoing operations of the Clipper program.
- Goals include expanding electronic payment to all modes of transportation, enhanced access for customers to obtain and use Clipper, establishing

consistent fare categories and discounts, and improving the operation, integration, flexibility, efficiency and reliability of the system.

- *The 2011 MOU does not contain performance standards.*

## **6. Extend the Term**

- It is anticipated that the Amended MOU will take effect on or about November 2, 2015. The Amended MOU term will extend until June 30, 2025, unless otherwise terminated by the parties.
- *The 2011 MOU would otherwise terminate on November 2, 2019, but will be replaced by this Amended MOU.*

### **Financial Implications:**

The financial impact of moving from the current Clipper MOU to the new Clipper MOU is difficult to quantify. Fees for Clipper will change but since we have not implemented Clipper we don't have any transaction history with which to compare. Because our transaction volume is estimated to be less than 1% of the total Clipper transactions the impact on our fees will be negligible.

### **Attachments:**

Amended and Restated Clipper® Memorandum of Understanding

## AMENDED AND RESTATED CLIPPER® MEMORANDUM OF UNDERSTANDING

This Amended and Restated Clipper® Memorandum of Understanding (this "MOU") is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2015 (the "Effective Date"), by and among the Metropolitan Transportation Commission ("MTC") and the following transit operators participating in the Clipper® program (referred to herein individually as an "Operator" or collectively as the "Operators"):

Alameda-Contra Costa Transit District ("AC Transit"); Golden Gate Bridge Highway and Transportation District ("GGBHTD"); the San Francisco Bay Area Rapid Transit District ("BART"); the City and County of San Francisco, acting by and through its Municipal Transportation Agency ("SFMTA"); the San Mateo County Transit District ("SamTrans"); the Santa Clara Valley Transportation Authority ("VTA"); the Peninsula Corridor Joint Powers Board ("Caltrain"); Central Contra Costa Transit Authority; City of Fairfield, as the operator of Fairfield and Suisun Transit; City of Petaluma; Eastern Contra Costa Transit Authority; Livermore/Amador Valley Transit Authority; Marin County Transit District; Napa County Transportation and Planning Agency; Solano County Transit; Sonoma County Transit; Sonoma-Marin Area Rail Transit; Vacaville City Coach; Western Contra Costa Transit Authority; San Francisco Bay Area Water Emergency Transportation Authority; City of Santa Rosa; and City of Union City; and any other transit operators that implement Clipper® and execute a Supplemental Agreement to the MOU.

MTC and the Operators are referred to herein collectively as the "Parties" or individually as a "Party".

### Recitals

1. Clipper® (formerly TransLink®) is an automated fare payment system for intra- and inter-Operator transit trips in the San Francisco Bay Area that has been implemented and is currently being operated on Operators' transit systems.
2. MTC entered into a contract (the "Clipper® Contract") with Cubic Transportation Systems, Inc. (the "Clipper® Contractor"), to implement, operate and maintain the Clipper® fare payment system through November 2, 2019.
3. On December 12, 2003, MTC and six of the Operators entered into an interagency participation agreement (the "IPA") to create a forum for joint agency decision-making (the "TransLink® Consortium") to work towards the successful implementation of the TransLink® automated fare payment system. The IPA was superseded and replaced by a Memorandum of Understanding Regarding Operations and Maintenance of Clipper® Fare Collection System dated November 10, 2011, by and among MTC and, initially, seven of the Operators (the "2011 MOU"). The 2011 MOU delineated, among other things, MTC's responsibilities, including as contracting agency, the Operators' responsibilities, a consultation process for amending the Clipper® Operating Rules, allocation of operating expenses among the Operators and MTC, and a dispute resolution process.
4. The Parties have examined the successes and challenges of the program to date and have identified certain areas in which existing arrangements should be modified or clarified to maximize the benefits to the Parties and Bay Area transit customers of the continued expansion, modification, operation and maintenance of the Clipper® program.

5. The Parties now wish to amend and restate the 2011 MOU in its entirety to clarify their respective roles and responsibilities, define roles and responsibilities for a newly-defined "Contracting Agency," establish a "Clipper® Executive Board," and establish a Clipper® Executive Director to ensure the successful operation and maintenance of Clipper®.

## **ARTICLE I Operator Responsibilities**

Each Operator agrees to:

- A. Implement and operate the Clipper® fare payment system in accordance with the Clipper® Operating Rules, as adopted and amended from time to time, consistent with the consultation and approval process set forth in Appendix A, Process for Amending Clipper® Operating Rules, attached hereto and incorporated herein by this reference. The Clipper® Operating Rules establish operating parameters and procedures for the consistent and efficient operation of Clipper® throughout the region. The current version of the Clipper Operating Rules® is available on MTC's website at <http://www.mtc.ca.gov/planning/tcip/>.
- B. Pay its share of Clipper® costs, including costs of the salary of additional Clipper® staff necessary to support the Executive Board, according to Appendix B, Clipper® Cost and Revenue Allocation, attached hereto and incorporated herein by this reference. Changes to Appendix B require an amendment to the MOU in accordance with Article XI.A.
- C. Make its facilities and staff available for implementation and operation of Clipper®. Any Operator and the Contracting Agency may agree to an Operator-specific implementation plan, setting forth specific requirements regarding implementation and operation of Clipper® for such Operator.
- D. Make determinations regarding the placement of Clipper® equipment on the Operator's facilities and equipment; perform necessary site preparation; attend Clipper® Contractor training on the use of the Clipper® equipment; and provide training to employees using the equipment.
- E. Beginning two years after the effective date of this Agreement, and every two years thereafter, participate in a review of the cost and revenue allocation formula in Appendix B, to support fairness among Operators and to accommodate changes in shared operation costs.

## **ARTICLE II MTC Responsibilities**

MTC agrees to:

- A. Fund a portion of the Clipper® operating and maintenance costs, including costs of the salary of additional Clipper® staff necessary to support the Executive Board, as set forth in Appendix B. Subject to availability of necessary funds, inclusion of projects in the Regional Transportation Plan and Transportation Improvement Program where necessary, and receipt of all necessary Commission approvals, budget appropriations and

allocations, MTC will continue to fund capital and Contracting Agency operating costs in the manner that it has funded capital and Contracting Agency operating costs to date, through a dedicated allocation of federal, state and local funds, both discretionary and project designated. Recommended annual capital allocations will be identified in the work plan approved by the Executive Board. (See Article IV.C.4.)

- B. Retain all books, papers, records, documents, and other materials pertaining to its responsibilities under Appendix B (the "Materials") in accordance with federal grant and audit requirements and generally accepted accounting principles and make the Materials available to Parties upon request through reasonable means and at reasonable times. Parties may request that Materials be made available for the most recently closed fiscal year during the term of this MOU and for up to one year thereafter; provided, however, that nothing in this Article II.B is intended to limit a Party's rights to obtain records under the California Public Records Act (Government Code Section 6250 *et seq.*).
- C. Continue to serve as the Contracting Agency (described in Article III), and continue to provide adequate staffing to support the Clipper® program under the direction of the Clipper® Executive Director (described in Article V), until such time as the Executive Board designates, and MTC's Commission approves, the assignment of MTC's duties as Contracting Agency to another Party pursuant to Article IV.D.
- D. Employ the initial Clipper® Executive Director (described in Article V). MTC reserves the right to make decisions regarding hiring, promotion, termination, compensation, and removal of the initial Clipper® Executive Director. Selection of a successor Executive Director shall be in accordance with Article III.J.
- E. Continue to create and maintain all copyrights and other intellectual property necessary or convenient for the operation of the Clipper® fare payment system and provide any necessary licenses to use such intellectual property to the Contracting Agency, if other than MTC.
- F. Enter into supplemental agreements with new operator participants in accordance with Article VI.

### **ARTICLE III Contracting Agency Responsibilities**

The Contracting Agency agrees to:

- A. On behalf of the Parties, procure, award, manage and carry out the duties and responsibilities of the Clipper® program counterparty under all contracts necessary for the expansion, modification, modernization, operation, maintenance, marketing and customer service of the Clipper® fare payment system, including the Clipper® Contract and any successor contract and any contracts for associated professional services for the Clipper® program as a whole.
- B. Establish, manage and implement Clipper® Operating Rules in accordance with Appendix A.
- C. Provide regular updates (at least quarterly) on the Clipper® program to the Parties.

- D. Support the Parties with respect to Articles I.E and II.A by providing system data affecting the cost allocation formula.
- E. Own specified Clipper® program capital equipment, as may be required by grant or funding agency rules and regulations, and transfer ownership, to the greatest extent permitted under such rules and regulations, to any successor Contracting Agency.
- F. Hold and manage the Clipper® bank accounts and act as an agency in trust for the benefit of the cardholders for funds deposited by the cardholders for the ultimate use on the services provided by the Operators, and for the benefit of the Operators for funds due to Operators until dispersed to such Operators.
- G. Conduct an annual contract compliance audit covering Clipper® program revenue collection and allocation and cost allocation responsibilities under the MOU and provide a copy of the complete audit report to all Parties upon conclusion of each such annual audit.
- H. Retain all books, papers, records, documents, and other materials pertaining to its responsibilities under Appendix B (the "Materials") in accordance with federal grant and audit requirements and generally accepted accounting principles and make the Materials available to Parties upon request through reasonable means and at reasonable times. Parties may request that Materials be made available for the most recently closed fiscal year during the term of this MOU and for up to one year thereafter; provided, however, that nothing in this Article III.H is intended to limit a Party's rights to obtain records under the California Public Records Act (Government Code Section 6250 *et seq.*).
- I. Serve as the Application Issuer and Card Issuer, as those terms are defined in the Clipper® Operating Rules.
- J. Engage the Clipper® Executive Director in accordance with Article V. The Contracting Agency reserves the right to make decisions regarding hiring, promotion, termination, compensation, and removal of the Clipper® Executive Director provided that it shall not engage the successor to the initial and successor Executive Directors without the concurrence of the Executive Board. The Contracting Agency shall collaborate with the Executive Board in considering potential candidates for Executive Director.
- K. Provide adequate staffing (including program and legal staff) to support the Clipper® program. The Contracting Agency reserves the right to make decisions regarding hiring, promotion, termination, compensation and removal of program staff.
- L. Provide necessary logistical and technological support to the Executive Board and any committees thereof, except as provided in Article IV.H.

#### **ARTICLE IV**

#### **Clipper® Executive Board**

- A. Role; Composition. The Parties agree that responsibility for the management of the current Clipper® program, as well as the strategic planning effort to procure and implement a future system on or before the termination of the current Clipper® Contract, shall reside with a Clipper® Executive Board ("Executive Board"). The Executive Board's responsibilities shall be executed in a manner consistent with the Operator, MTC



and Contracting Agency responsibilities set forth in Articles I, II and III, respectively. The Executive Board shall be comprised of nine members: one representative each from SFMTA, BART, Caltrain/SamTrans, AC Transit, VTA, GGBHTD and MTC, and two representatives who are selected to represent all other Operators (the "Small Operators") in the sole discretion of the Small Operators. Each representative shall be at the General Manager or Senior Management level.

B. Principles. The Executive Board shall adhere to the following principles:

1. The Clipper® program shall continue as the primary electronic fare collection system for the Operators.
2. Each member of the Executive Board commits to actively advance the continued successful operation, maintenance and growth of the Clipper® program on a cost effective, operationally efficient, and coordinated basis.
3. Promote efforts to reduce the overall cost of the Clipper® system, including operating costs, capital costs and consultant expense.
4. Promote regional efforts to simplify fare structures while protecting revenue levels.

C. Duties. The Executive Board shall undertake the following duties:

1. Meet in accordance with a regular meeting schedule established by the Executive Board, not less than quarterly.
2. Establish goals for the Clipper® program, including targets to increase market penetration and cost containment initiatives. The Program Goals and Performance Measures are attached as Appendix C, and may be amended by unanimous vote of the Executive Board from time to time.
3. Propose for review by MTC, Operators and other funding sources (collectively, the "Funding Agencies") a biennial capital and operating budget for the Clipper® program. Revise and adopt the proposed budget in accordance with the Clipper® budgets adopted and/or allocations made by each of the Funding Agencies. The biennial budget will outline staffing requirements and resources needed to accomplish the work plan. The budget will define required funding, identify funding sources, and specify the amount of individual agency contributions.
4. Adopt a detailed biennial work plan to implement the established goals and budget.
5. Designate the Contracting Agency, as further described in and subject to Article IV.D, and provide policy oversight, advice, and direction to the Contracting Agency.
6. Evaluate the performance of the Clipper® Executive Director on at least an annual basis. The Board will develop goals and objectives jointly with the Clipper® Executive Director, which will form the basis for the annual evaluation.
7. Review and authorize Significant Business Matters as described in Article IV.E.

8. Establish such procedures as shall be necessary or desirable to facilitate compliance by the Executive Board with the Ralph M. Brown Act (Government Code Section 54950 *et seq.*) (the "Brown Act") and other applicable laws.

D. Designation of a Contracting Agency. The Executive Board shall designate one of the Parties to serve as the "Contracting Agency" with the responsibilities defined in Article III. MTC shall serve as the initial Contracting Agency. The Executive Board shall review the designation of the Contracting Agency not more often than once every three (3) years and may designate any of the Parties as a new Contracting Agency no later than one year prior to the proposed assignment date, which designation may be subject to the approval of the governing board of the proposed new Contracting Agency. In the event of a new designation, the then-current Contracting Agency shall seek approval from its governing board to assign all outstanding contracts, funding agreements, licenses, and accounts to the newly designated Contracting Agency and, if it receives approval from its governing board for such assignment, take such other actions as may be necessary or convenient to effect the transition of the Contracting Agency role. In the event of a change from the role of MTC as the Contracting Agency, the Executive Board will work with MTC and the successor Contracting Agency to protect or minimize loss or degradation of jobs for Clipper® support staff at MTC.

E. Significant Business Matters. The Executive Board shall decide all Significant Business Matters by a majority vote. "Significant Business Matter" shall mean any matter that can reasonably be expected to have a substantial financial impact (defined as an impact of \$250,000 or more) or a substantial operating impact (defined as causing operations to fall below then-current annual operational goals) on Clipper® or any of the Parties. Significant Business Matters, include, but are not limited to the following:

1. Approval of Clipper® Contract Change Orders that exceed the maximum authority levels established by the Contracting Agency's procurement rules for its chief executive officer, or \$250,000, whichever is less, or that are not funded in the biennial budget. Contracting Agency governing board approval may also be required.
2. Amendments to the Clipper® operating rules, pursuant to Appendix A.
3. Acceptance of new Parties to the Clipper® program. The Executive Board delegates to MTC the authority to sign supplemental agreements with new Parties accepted into the program, as provided in Article VI.
4. Implementation of new business ventures or opportunities for the Clipper® program.
5. Contract awards for contract amounts that exceed the maximum authority levels established by the then-current Contracting Agency's procurement rules for its chief executive officer, or \$250,000, whichever is less. Contracting Agency governing board approval may also be required.
6. Assignment of the Clipper® Contract. Contracting Agency approval shall also be required.
7. Approval of expenses (administrative, operating and legal) incurred by the Contracting Agency if in excess of or not contemplated by the current approved budget.

8. Approval of the Clipper® 2.0 rollout strategy.
9. Decision whether any other matter, not expressly included or excluded as a Significant Business Matter in this list, is a Significant Business Matter in accordance with the definition above.

The foregoing definition of “Significant Business Matters” may be amended by unanimous vote of the Executive Board from time to time.

- F. Quorum. Five members of the Executive Board constitute a quorum. In the absence of a quorum, a smaller number of Executive Board members may secure the attendance of absent members by video conference, teleconference or other means compliant with the Brown Act to establish a quorum. Only eligible voting members shall be counted to establish a quorum.
- G. Voting. Each member of the Executive Board shall have one vote. A vote of a majority of the Executive Board is required for approval. Executive Board members may not abstain from voting on any matter before the Executive Board, except in cases of conflicts of interest.
- H. Board Chair; Committees. The Executive Board shall annually elect a Chair and Vice Chair from its members. The Chair shall provide administrative staff support to the Executive Board, as needed as determined by the Chair and the Clipper® Executive Director. The Chair may appoint advisory committees or working groups for specified projects of limited duration. The Executive Board may establish standing committees from time to time.
- I. Delegates. Executive Board members may appoint, in writing, delegates to vote on their behalf in the event of a member's absence from any Executive Board meeting, for up to two (2) meetings per calendar year. No voting rights are accorded to alternates, nor do alternates count toward a quorum of the Executive Board, when alternates are representing an Executive Board member for meetings after two (2) missed meetings in a calendar year.

## **ARTICLE V**

### **Clipper® Executive Director**

The Clipper® Executive Director shall be responsible for regional coordination of the Clipper® program among the Parties, oversight of consultants and contractors retained for the design, operation and maintenance of the Clipper® program, and effectuation of the goals and work plan adopted by the Executive Board in accordance with the budget. Clipper® program support staff engaged by the Contracting Agency shall report to the Clipper® Executive Director.

The Clipper® Executive Director shall be selected and appointed by the Contracting Agency following consultation with the Executive Board to factor in any Executive Board concerns. The Contracting Agency will directly engage the Clipper® Executive Director as its employee or independent contractor in accordance with any civil service or procurement rules applicable to the Contracting Agency. The initial Clipper® Executive Director shall be Carol Kuester and shall be an employee of MTC.

**ARTICLE VI**  
**New Operator Participants**

Any Bay Area transit operator not a Party to this Agreement must be approved by the Executive Board and agree to the terms of the MOU then in effect as a condition of implementing Clipper®, by entering into a supplemental agreement to this MOU accepting the then-current terms of this MOU. Signature by the other Parties to the MOU is not required. MTC shall not enter into a supplemental agreement with a particular operator prior to the issuance of a Change Notice to the Clipper® Contract covering all or a portion of the work required to accept such operator into the system. MTC shall provide the other Parties to the MOU with written notice of each supplemental agreement.

**ARTICLE VII**  
**Indemnification**

- A. Mutual Indemnification. No Party to this MOU (including any of its directors, commissioners, officers, agents or employees) shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by any other Party under or in connection with this Agreement. Pursuant to Government Code Section 895.4, each Party agrees to fully indemnify and hold other Parties harmless from any liability imposed for injury (as defined by Government Code Section 810.8) occurring by reason of anything done or omitted to be done by such indemnifying Party under or in connection with this Agreement and for which such indemnifying Party would otherwise be liable.
- B. Contracting Agency Indemnification of Other Parties. Notwithstanding the provisions of Subsection A above, the Contracting Agency shall indemnify, hold harmless, and defend the other Parties from any and all claims or liability resulting from any action or inaction on the part of Contracting Agency relating to the Clipper® Contract or from its failure to carry out its responsibilities under Article III of this MOU. With respect only to MTC as Contracting Agency, this indemnification covers action or inaction on the part of MTC relating to the Clipper® Contract prior to the Effective Date of this MOU. Except as stated in the previous sentence, this indemnification only covers action or inaction on the part of a Contracting Agency while it serves as Contracting Agency under this MOU.
- C. Other Parties' Indemnification of Contracting Agency. Notwithstanding the provisions of Subsection A above, each Party hereto that is not the Contracting Agency shall indemnify, hold harmless, and defend the Contracting Agency from any and all claims or liability resulting from any action or inaction on the part of such Party relating to its responsibilities under Article I or II, as applicable, of this MOU.
- D. Operator Indemnification of MTC. Notwithstanding the provisions of Subsection A above, each Operator shall indemnify, hold harmless, and defend MTC from any and all claims or liability resulting from any action or inaction on the part of such Operator relating to its responsibilities under Article I of this MOU.
- E. MTC Indemnification of Operators. Notwithstanding the provisions of Subsection A above, MTC shall indemnify, hold harmless, and defend each Operator from any and all claims or liability resulting from any action or inaction on the part of MTC relating to its responsibilities under Article II of this MOU.

**ARTICLE VIII**  
**Term**

The term of the MOU shall begin upon the Effective Date and continue through June 30, 2025, unless terminated by written agreement of the Parties.

**ARTICLE IX**  
**Dispute Resolution**

The Parties agree to abide by the dispute resolution procedures in Appendix D, Dispute Resolution, attached hereto and incorporated herein by this reference to resolve disputes between or among Parties to the MOU. To invoke the dispute resolution process, two Executive Board members must request it.

**ARTICLE X**  
**Changed Circumstances**

Any Party may initiate informal discussions among the Parties concerning the provisions of this MOU, based on its assessment that changes in technology or other factors external to the MOU or the Clipper® Contract indicate that it would be in the best interests of one or more Parties to consider revisions to the MOU. If a majority of Parties agree, the Parties will then jointly evaluate the changed circumstances to determine what, if any, revisions to the MOU are necessary or desirable. Any agreed-upon changes shall require an amendment to the MOU approved and executed by all Parties.

**ARTICLE XI**  
**General Provisions**

- A. The entire Agreement between and among the Parties is contained herein, and no change in or modification, termination or discharge of this MOU shall be valid or enforceable unless it is approved by the Parties and made in writing and signed by the Parties.
- B. Headings in this MOU are for convenience only and not intended to define, interpret or limit the terms and conditions herein.
- C. This MOU may be executed in one or more counterparts, each of which shall be considered an original and all of which shall constitute a single instrument.
- D. This MOU is intended for the sole benefit of the Parties and is not intended to nor shall be construed to confer any benefit or create any right in any third party.
- E. Appendix E, Special Provisions for the City and County of San Francisco, attached hereto and incorporated herein by this reference, sets forth the terms and conditions required by the City and County of San Francisco in any expenditure contracts entered into by the City.
- F. If any provision of this MOU or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this MOU, or the application of such provision to persons, entities or circumstances, other

than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this MOU shall be valid and be enforceable to the fullest extent permitted by law.

- G. Notices provided under the MOU shall be provided to the individuals listed in Appendix F, Notices, attached hereto and incorporated herein by this reference. Each Party to the MOU is responsible for notifying other Parties of a change in the individual designated to receive notices in writing. Changes to Appendix F may be made by any Party without an amendment to this MOU. MTC will distribute to every other Party the notice information of new Parties to the MOU added pursuant to Article VI.
- H. This MOU supersedes and replaces the Memorandum of Understanding Regarding Operations and Maintenance of Clipper Fare Collection System dated November 10, 2011, as amended, in its entirety.
- I. By its execution of this MOU, each Party (i) acknowledges that, although the City of Rio Vista executed a Supplemental Agreement to the 2011 MOU, it subsequently declined to have Clipper® implemented on its bus system, (ii) waives the requirement for 240 days' advance notice to it of the City of Rio Vista's withdrawal from the 2011 MOU, and (iii) acknowledges that the City of Rio Vista is therefore not a Party to this MOU upon its initial execution and delivery.

IN WITNESS WHEREOF, this MOU has been duly authorized and executed by the Parties hereto on the dates specified below by their duly authorized representatives.

**Metropolitan Transportation Commission**

Approved as to form:

\_\_\_\_\_  
Steve Heminger, Executive Director

\_\_\_\_\_  
Adrienne Weil, General Counsel

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

**Alameda-Contra Costa Transit District**

Approved as to form:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Denise C. Standridge, General Counsel

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

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

**Golden Gate Bridge, Highway and  
Transportation District**

Approved as to form:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_, General Counsel

**San Francisco Bay Area Rapid Transit District**

Approved as to form:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Matthew Burrows, General Counsel

**City and County of San Francisco  
Municipal Transportation Agency**

Approved as to form:  
Dennis J. Herrera, City Attorney

\_\_\_\_\_  
Name: Edward D. Reiskin  
Title: Director of Transportation  
Date: \_\_\_\_\_

\_\_\_\_\_  
Name: Robin M. Reitzes  
Title: Deputy City Attorney

Municipal Transportation Agency Board of Directors  
Resolution No. \_\_\_\_\_  
Dated: \_\_\_\_\_

\_\_\_\_\_  
Secretary, SFMTAB

**San Mateo County Transit District**

Approved as to form:

\_\_\_\_\_  
Name: Jim Hartnett  
Title: General Manager/CEO  
Date: \_\_\_\_\_

\_\_\_\_\_  
Joan L. Cassman, General Counsel

**Santa Clara Valley Transportation Authority**

Approved as to form:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_, General Counsel

**Peninsula Corridor Joint Powers Board**

Approved as to form:

\_\_\_\_\_  
Name: Jim Hartnett  
Title: Executive Director  
Date: \_\_\_\_\_

\_\_\_\_\_  
Joan L. Cassman, General Counsel

**Central Contra Costa Transit Authority**

Approved as to form:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Madeline Chun, General Counsel

**City of Fairfield  
Fairfield and Suisun Transit**

Approved as to form:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_, General Counsel

**City of Petaluma**

Approved as to form:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_, General Counsel



**Eastern Contra Costa Transit Authority**

Approved as to form:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_, General Counsel

**Livermore/Amador Valley Transit Authority**

Approved as to form:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Michael N. Conneran, General Counsel

**Marin County Transit District**

Approved as to form:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_, General Counsel

**Napa County Transportation and Planning Agency**

Approved as to form:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_, General Counsel

**Solano County Transit**

Approved as to form:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_, General Counsel

**Sonoma County Transit**

Approved as to form:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_, General Counsel

**Sonoma-Marín Area Rail Transit District**

Approved as to form:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_, General Counsel

**Vacaville City Coach**

Approved as to form:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_, General Counsel

**Western Contra Costa Transit Authority**

Approved as to form:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_, General Counsel

**San Francisco Bay Area Water Emergency  
Transportation Authority**

Approved as to form:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Stanley S. Taylor III, General Counsel

**City of Santa Rosa**

Approved as to form:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_, General Counsel

**City of Union City**

Approved as to form:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_, General Counsel

**LIST OF APPENDICES**

- Appendix A Process for Amending Clipper® Operating Rules
- Appendix B Clipper® Cost and Revenue Allocation, comprised of:
  - Appendix B-1 Effective upon execution of Amended and Restated MOU through June 30, 2016
  - Appendix B-2 Effective July 1, 2016 through December 31, 2016
  - Appendix B-3 Effective January 1, 2017
- Appendix C Program Goals and Performance Measures
- Appendix D Dispute Resolution
- Appendix E Special Provisions for the City and County of San Francisco
- Appendix F Notices

## Appendix A

### Process for Amending Clipper® Operating Rules

1. The Contracting Agency shall provide written notice to the other Parties at least ninety (90) days in advance of making any changes to the Operating Rules affecting Operator Roles and Responsibilities (Section 3 of the Clipper® Operating Rules). Notice shall be provided by email to the contact named in Appendix F, or as subsequently revised or updated by the Parties, as provided in Article XI.G.
2. The Contracting Agency shall provide additional notice to the other Parties on possible changes to the Operating Rules affecting Operator Roles and Responsibilities in the regular Clipper® program reports furnished under Article III.C.
3. The Contracting Agency's notices shall include enough information to enable the other Parties to determine the financial and other impacts of the proposed change.
4. If requested by any Party within 30 days of issuance of such notice, the Contracting Agency will consult with all affected Parties concerning the proposed change prior to its adoption.
5. Any Party that requires additional time in excess of the notice period specified by the Contracting Agency to implement a change may notify the Contracting Agency of the additional period of time required during the initial 30-day notice period. The Contracting Agency will then work with the Party(ies) during the consultation period to modify the effective date and/or content of the Operating Rules change, as necessary.
6. Following such consultation process, if any Party(ies) objects to the proposed change, as modified during the consultation process, such Party(ies) may initiate one or more of the dispute resolution processes described in Appendix D.
7. The Contracting Agency shall delay the implementation of the disputed change until the conclusion of the dispute resolution process.
8. All proposed changes to the Operating Rules shall be presented for approval to the Executive Board. The Contracting Agency agrees that it shall not implement changes to the Operating Rules that have not been approved by the Executive Board.
9. Upon MTC's approval of this MOU, MTC Commission approval of changes to the Operating Rules will no longer be required.

## Appendix B-1

### Clipper<sup>®</sup> Cost and Revenue Allocation Effective upon execution of Amended and Restated MOU through June 30, 2016

#### 1. Cost Allocation Among Operators

The allocation of Clipper<sup>®</sup> operating costs to each Operator shall be based on a combination of revenue collected and the number of fee payment transactions processed. “Revenue collected” shall mean the fee collected on behalf of each Operator by the Clipper<sup>®</sup> clearinghouse (*e.g.*, the price charged to ride on the Operator’s transit system, the value of pass sales, the amount of parking fees paid). A “fee payment transaction” shall mean any activity in which a Clipper<sup>®</sup> card is used to receive service on or from an Operator’s system (*e.g.*, to ride on the Operator’s transit system, to park on the Operator’s property). A fee payment transaction shall be attributed to the Operator on whose system the service was provided, except that a transaction in which a patron uses a Muni monthly pass to ride BART will be attributed to SFMTA. All fee payment transactions are included for purposes of allocating Clipper<sup>®</sup> operating costs, regardless of whether the transaction results in a reduction of the amount of stored value or stored rides on a Clipper<sup>®</sup> card (*e.g.*, use of a monthly pass on a transit system, intra-operator transfers, entry and exit transactions for a single ride where both transactions are required to compute the appropriate fare payment).

One-third (1/3) of Clipper<sup>®</sup> operating costs shall be allocated to Operators based on each Operator’s share of total revenue collected by the Clipper<sup>®</sup> clearinghouse, as defined above. Two-thirds (2/3) of Clipper<sup>®</sup> operating costs shall be allocated to Operators based on each Operator’s share of total fee payment transactions processed by the Clipper<sup>®</sup> clearinghouse, as defined above.

In addition to the Clipper<sup>®</sup> operating costs allocated in accordance with Section 2.B(i) herein, each Operator shall be responsible for payment of:

- a. Clipper<sup>®</sup> Data Server (CDS) Store operating costs specified below for any CDS Store implemented on such Operator’s site;
- b. Credit/debit interchange fees charged through an Operator-specific credit/debit gateway associated with Clipper<sup>®</sup> sales through add value machines, ticket office terminal devices and ticket vending machines. This responsibility is subject to review pursuant to Article I.E of the MOU to ensure that no single Operator is unfairly burdened by such fees; and
- c. Incremental Clipper<sup>®</sup> operating costs established by and/or resulting from Clipper<sup>®</sup> Contract change orders requested and funded by an Operator for such Operator’s use and benefit shall be the responsibility of such Operator. This

applies to costs or portions of costs that would otherwise be MTC's responsibility as described in Section 2.A herein.

## 2. **Clipper<sup>®</sup> Costs**

### A. MTC Operating and Maintenance Costs. MTC shall pay the following Clipper<sup>®</sup> operating costs:

- i. All fixed operating costs of the Clipper<sup>®</sup> clearinghouse and equipment maintenance services costs as specified in the Clipper<sup>®</sup> Contract's Price Schedule (Attachment 2 to the Clipper<sup>®</sup> Contract) (the "Price Schedule"), including:
  - a. Item 3.20 Program Management – Operations and Maintenance
  - b. Item 3.30 Clipper<sup>®</sup> Testbed Operations & Maintenance
  - c. Item 5.31 Operator Help Desk
  - d. Item 5.32 Reporting
  - e. Item 5.33 Asset Management
  - f. Item 6.0 Equipment Maintenance Services
  - g. Item 10.21(a) Location Acquisition
  - h. Item 10.22 Location Servicing and Support
  - i. Item 10.23 (a) Acquisition Payment for Third Party Location
  - j. Item 12.0 Network Management
  - k. Item 13.22 Basic Monthly Operations and Admin
- ii. Variable Clipper<sup>®</sup> operating costs as specified in the Price Schedule (Attachment 2 to the Clipper<sup>®</sup> Contract), specifically:
  - a. Item 7.10-2 Senior and Youth Card Mail-In Applications
  - b. Item 8.10(a-g) Card Distribution Services
  - c. Item 8.11 Card Distribution Services
  - d. Item 8.12 Card Distribution Services
  - e. Item 8.20 Cardholder Education
  - f. Item 8.31 Location Acquisition for Completion of Distribution Network
  - g. Item 8.32 Location Acquisition for Completion of Distribution Network
  - h. Item 8.41 Pass Through of Amounts Paid for Installation of Phone Lines
  - i. Item 9.41 Fixed and Incremental Fees Per Active Card Account (50% of the invoiced amount)
  - j. Item 9.5 Service Level Standard Incentives and Abatements
  - k. Item 13.100 Mobile Website Operations and Maintenance
- iii. All other lump sum and capital expense items specified in the Price Schedule not enumerated above or covered by Section 2.B.

### B. Operator Operating Costs.

- i. Operators shall pay the following listed Clipper<sup>®</sup> operating costs in accordance with the cost sharing formula in Section 1, reduced by any amounts payable by MTC pursuant to Section 2.A. References to Item numbers refer to the corresponding prices payable to the Clipper<sup>®</sup> Contractor under the Price Schedule, which are subject to annual price adjustment as specified in Article 13.6 of the Clipper<sup>®</sup> Contract:
  - a. Item 9.24 Balance Protection Services Registration

- b. Item 9.25 Lock/unlock Clipper<sup>®</sup> Application
  - c. Item 9.41 Fixed and Incremental Fees Per Active Card Account (50% of the invoiced amount)
  - d. Item 10.11 Clipper<sup>®</sup> E-purse Load
  - e. Item 10.12 Pass/Stored Ride Load
  - f. Item 10.24 Employer Program Commission
  - g. Item 11.0 Autoload Services
  - h. Item 13.22.45 Supplemental Monthly Operations and Admin
  - i. Item 13.31 Clipper<sup>®</sup> Transaction Fee
  - j. Item 13.60 Incremental Gateway Fees
  - k. Item 13.70 Incremental Debit Card Interchange Fees
  - l. Item 13.80 Incremental Credit Card Interchange Fees
  - m. Item 13.90 Pass Through Website Credit Card Processing Fees
  - n. Reimbursement of Contracting Agency bank fees and direct bank charges in connection with the Clipper<sup>®</sup> bank account(s) in excess of the amounts reimbursed under Section 3.A below
  - o. Direct payment or reimbursement of Contracting Agency costs for network communication.
  - p. Direct payment or reimbursement of Contracting Agency costs for materials necessary for additional printing, e.g. secondary printing or personalization, on Clipper<sup>®</sup> cards
  - q. Reimbursement of Contracting Agency costs for a portion of salary and benefits of any additional staffing as approved by the Executive Board to support the Clipper<sup>®</sup> program.
- ii. Changes or Additions to Operator Operating Costs Items. Except as reserved for Executive Board approval in Section 2.B(i)(q), substantive changes or additions to the Operator-paid operating cost items set forth in Section 2.B(i) require an amendment to this Appendix B and approval of all Parties to the MOU as of the date of the change or addition.
- C. Contracting Agency shall invoice each Operator on a monthly basis for its share of the operating costs. The Operators shall pay Contracting Agency within fifteen (15) calendar days of receipt of such invoice.

### 3. Revenue Allocation

Revenues generated by Clipper<sup>®</sup> during any period of time, including interest earnings on funds held by the clearinghouse and excluding fare revenues or parking fees collected on behalf of and distributed to Operators, shall be utilized as follows:

- A. To offset Contracting Agency's bank fees and direct bank charges related to the managing of the Clipper<sup>®</sup> accounts;
- B. After deduction of Contracting Agency's bank fees and charges under Section 3.A, to reduce the Operators' Clipper<sup>®</sup> operating costs listed in Section 2.B(i); and
- C. After payment of Operators' Clipper<sup>®</sup> operating costs listed in Section 2.B(i), to be allocated to Operators using the formula specified in Section 1.



Notwithstanding the above, fees charged cardholders for card acquisition, card replacement, balance restoration, failed Autoload funding recovery, card refund processing, and other card-related activities shall be reserved to pay for future card procurements; provided, however, that surcharges on limited use cards or other fare media imposed by an Operator to pay for the acquisition, implementation, administration and replacement of such fare media shall be distributed to and retained by such Operator. (For clarity, any surcharge imposed by an Operator as part of its fare structure shall be considered “fare revenue” and shall be distributed to and retained by such Operator.)

#### **4. Review**

The Parties acknowledge that this Appendix B is based upon and specific to the payment terms of the existing Clipper® Contract which has a term through November 2, 2019. Therefore, the Parties agree to commence timely, good-faith negotiations to implement revisions to this Appendix B necessitated by any Executive Board approval of (a) any extension of the existing Clipper contract or (b) any contracts that succeed or replace the existing Clipper contract, whether in whole or in part.

## Appendix B-2

### Clipper<sup>®</sup> Cost and Revenue Allocation Effective July 1, 2016 through December 31, 2016

#### 1. Cost Allocation Among Operators

The allocation of Clipper<sup>®</sup> operating costs to each Operator shall be based on a combination of revenue collected and the number of fee payment transactions processed. “Revenue collected” shall mean the fee collected on behalf of each Operator by the Clipper<sup>®</sup> clearinghouse (*e.g.*, the price charged to ride on the Operator’s transit system, the value of pass sales, the amount of parking fees paid). A “fee payment transaction” shall mean any activity in which a Clipper<sup>®</sup> card is used to receive service on or from an Operator’s system (*e.g.*, to ride on the Operator’s transit system, to park on the Operator’s property). A fee payment transaction shall be attributed to the Operator on whose system the service was provided, except that a transaction in which a patron uses a Muni monthly pass to ride BART will be attributed to SFMTA. All fee payment transactions are included for purposes of allocating Clipper<sup>®</sup> operating costs, regardless of whether the transaction results in a reduction of the amount of stored value or stored rides on a Clipper<sup>®</sup> card (*e.g.*, use of a monthly pass on a transit system, intra-operator transfers, entry and exit transactions for a single ride where both transactions are required to compute the appropriate fare payment).

One-third (1/3) of Clipper<sup>®</sup> operating costs shall be allocated to Operators based on each Operator’s share of total revenue collected by the Clipper<sup>®</sup> clearinghouse, as defined above. Two-thirds (2/3) of Clipper<sup>®</sup> operating costs shall be allocated to Operators based on each Operator’s share of total fee payment transactions processed by the Clipper<sup>®</sup> clearinghouse, as defined above.

In addition to the Clipper<sup>®</sup> operating costs allocated in accordance with Section 2.B(i) herein, each Operator shall be responsible for payment of:

- a. Clipper<sup>®</sup> Data Server (CDS) Store operating costs specified below for any CDS Store implemented on such Operator’s site;
- b. Credit/debit interchange fees charged through ticket office terminal devices using an Operator specific credit/debit gateway. This responsibility is subject to review pursuant to Article I.E of the MOU to ensure that no single Operator is unfairly burdened by such fees; and
- c. Incremental Clipper<sup>®</sup> operating costs established by and/or resulting from Clipper<sup>®</sup> Contract change orders requested and funded by an Operator for such Operator’s use and benefit shall be the responsibility of such Operator. This applies to costs or portions of costs that would otherwise be MTC’s responsibility as described below.

## 2. **Clipper<sup>®</sup> Costs**

### A. MTC Operating and Maintenance Costs. MTC shall pay the following Clipper<sup>®</sup> operating costs:

- i. All fixed operating costs of the Clipper<sup>®</sup> clearinghouse and equipment maintenance services costs as specified in the Clipper<sup>®</sup> Contract's Price Schedule (Attachment 2 to the Clipper<sup>®</sup> Contract) (the "Price Schedule"), including:
  - a. Item 3.20 Program Management – Operations and Maintenance
  - b. Item 3.30 Clipper<sup>®</sup> Testbed Operations & Maintenance
  - c. Item 5.31 Operator Help Desk
  - d. Item 5.32 Reporting
  - e. Item 5.33 Asset Management
  - f. Item 6.0 Equipment Maintenance Services
  - g. Item 10.21(a) Location Acquisition
  - h. Item 10.22 Location Servicing and Support
  - i. Item 10.23 (a) Acquisition Payment for Third Party Location
  - j. Item 12.0 Network Management
  - k. Item 13.22 Basic Monthly Operations and Admin
- ii. Variable Clipper<sup>®</sup> operating costs as specified in the Price Schedule (Attachment 2 to the Clipper<sup>®</sup> Contract), specifically:
  - a. Item 7.10-2 Senior and Youth Card Mail-In Applications
  - b. Item 8.10(a-g) Card Distribution Services
  - c. Item 8.11 Card Distribution Services
  - d. Item 8.12 Card Distribution Services
  - e. Item 8.20 Cardholder Education
  - f. Item 8.31 Location Acquisition for Completion of Distribution Network
  - g. Item 8.32 Location Acquisition for Completion of Distribution Network
  - h. Item 8.41 Pass Through of Amounts Paid for Installation of Phone Lines
  - i. Item 9.41 Fixed and Incremental Fees Per Active Card Account (50% of the invoiced amount)
  - j. Item 9.5 Service Level Standard Incentives and Abatements
  - k. Item 13.100 Mobile Website Operations and Maintenance
- iii. All other lump sum and capital expense items specified in the Price Schedule not enumerated above or covered by Section 2.B.

### B. Operator Operating Costs.

- i. Operators shall pay the following listed Clipper<sup>®</sup> operating costs in accordance with the cost sharing formula in Section 1, reduced by any amounts payable by MTC pursuant to Section 2.A. References to Item numbers refer to the corresponding prices payable to the Clipper<sup>®</sup> Contractor under the Price Schedule, which are subject to annual price adjustment as specified in Article 13.6 of the Clipper<sup>®</sup> Contract:
  - a. Item 9.24 Balance Protection Services Registration
  - b. Item 9.25 Lock/unlock Clipper<sup>®</sup> Application

- c. Item 9.41 Fixed and Incremental Fees Per Active Card Account (50% of the invoiced amount)
  - d. Item 10.11 Clipper<sup>®</sup> E-purse Load
  - e. Item 10.12 Pass/Stored Ride Load
  - f. Item 10.24 Employer Program Commission
  - g. Item 11.0 Autoload Services
  - h. Item 13.22.45 Supplemental Monthly Operations and Admin
  - i. Item 13.31 Clipper<sup>®</sup> Transaction Fee
  - j. Item 13.60 Incremental Gateway Fees
  - k. Item 13.70 Incremental Debit Card Interchange Fees
  - l. Item 13.80 Incremental Credit Card Interchange Fees
  - m. Item 13.90 Pass Through Website Credit Card Processing Fees
  - n. Reimbursement of Contracting Agency bank fees and direct bank charges in connection with the Clipper<sup>®</sup> bank account(s) in excess of the amounts reimbursed under Section 3.A below
  - o. Direct payment or reimbursement of Contracting Agency costs for network communication.
  - p. Direct payment or reimbursement of Contracting Agency costs for materials necessary for additional printing, e.g. secondary printing or personalization, on Clipper<sup>®</sup> cards
  - q. Reimbursement of Contracting Agency costs for a portion of salary and benefits of staffing to support the Clipper program as approved by the Executive Board.
  - r. Reimbursement of Contracting Agency costs for a portion of (at least fifty percent) of the salary and benefits of the Clipper Executive Director as approved by the Executive Board.
  - s. Reimbursement of Operator costs for credit/debit interchange fees charged through an Operator-specific gateway associated with Clipper<sup>®</sup> sales through add value and ticket vending machines, as long as the total average fees do not substantially exceed the average Clipper fees. Reimbursement procedures are subject to the adoption by the Clipper<sup>®</sup> Executive Board at least 90 days in advance.
- ii. Changes or Additions to Operator Operating Costs Items. Except as reserved for Executive Board approval in 2.B(i)(q, r, s), substantive changes or additions to the Operator-paid operating cost items set forth in Section 2.B(i) require an amendment to this Appendix B and approval of all Parties to the MOU as of the date of the change or addition.
- C. Contracting Agency shall invoice each Operator on a monthly basis for its share of the operating costs. The Operators shall pay Contracting Agency within fifteen (15) calendar days of receipt of such invoice.

### 3. Revenue Allocation

Revenues generated by Clipper<sup>®</sup> during any period of time, including interest earnings on funds held by the clearinghouse and excluding fare revenues or parking fees collected on behalf of and distributed to Operators, shall be utilized as follows:

- A. To offset Contracting Agency's bank fees and direct bank charges related to the managing of the Clipper<sup>®</sup> accounts;
- B. After deduction of Contracting Agency's bank fees and charges under Section 3.A above, to reduce the Operators' Clipper<sup>®</sup> operating costs listed in Section 2.B(i) above; and
- C. After payment of Operators' Clipper<sup>®</sup> operating costs listed in Section 2.B(i) above, to be allocated to Operators using the formula specified in Section 1 herein.

Notwithstanding the above, fees charged cardholders for card acquisition, card replacement, balance restoration, failed Autoload funding recovery, card refund processing, and other card-related activities shall be reserved to pay for future card procurements; provided, however, that surcharges on limited use cards or other fare media imposed by an Operator to pay for the acquisition, implementation, administration and replacement of such fare media shall be distributed to and retained by such Operator. (For clarity, any surcharge imposed by an Operator as part of its fare structure shall be considered "fare revenue" and shall be distributed to and retained by such Operator.)

#### **4. Review**

The Parties acknowledge that this Appendix B is based upon and specific to the payment terms of the existing Clipper<sup>®</sup> Contract which has a term through November 2, 2019. Therefore, the Parties agree to commence timely, good-faith negotiations to implement revisions to this Appendix B necessitated by any Executive Board approval of (a) any extension of the existing Clipper contract or (b) any contracts that succeed or replace the existing Clipper contract, whether in whole or in part.

### Appendix B-3

#### Clipper<sup>®</sup> Cost and Revenue Allocation Effective January 1, 2017

#### 1. Cost Allocation Among Operators

The allocation of Clipper<sup>®</sup> operating costs to each Operator shall be tied to the cost driver of each category of operating expense outlined in Section 2.B. The percent allocation in each category will be based on actuals by Operator. “Percentage of Cards Used” by Operator will be used to assess operating fees for account-based, fixed or other costs not directly attributable to either transit transactions or revenue and will be based on the number of individual cards used at least once on an Operator’s system. “Fee Generating Transit Transactions” shall mean any activity in which a Clipper<sup>®</sup> card is used to receive service on or from an Operator’s system that results in a charge pursuant to Attachment 2 to Part I of the contract between MTC and Cubic for the operation of Clipper<sup>®</sup>. “Revenue Processed” shall mean the fee collected on behalf of each Operator by the Clipper<sup>®</sup> clearinghouse (*e.g.*, the price charged to ride on the Operator’s transit system, the value of pass sales, the amount of parking fees paid).

The allocation of Clipper<sup>®</sup> operating costs to each Operator shall be based on the following formula:

MOU Section 2.B.i	Fee Category	Allocation Formula
a,b,c	9.0 Cardholder Support Services	Percentage of Cards Used
d,e,f	10.0 Third Party Load Service Fees	Percentage of Cards Used
g	11.0 Autoload Services	Percentage of Cards Used
h	13.22.45 Supplemental Operations	Percentage of Cards Used
i	13.31 Clipper Transaction Fee	Percentage of Fee Generating Transit Transactions
j,k,l,m	13.60-90 Incremental Credit/Debit Card Interchange Fees	Percentage of Revenue Processed
n	Reimbursement of Bank Fees/Direct Charges	Percentage of Revenue Processed
o	Network Communication Reimbursement	Direct Charge to Operator
p	Specialized Card Printing	Direct Charge to Operator
q,r	Operator Share of Staffing	Percentage of Cards Used
s	Add Value/TVM Debit Card Interchange Fees for Non-Clipper Gateways	Percentage of Revenue Processed

In addition to the Clipper<sup>®</sup> operating costs allocated in accordance with Section 2.B(i) herein, each Operator shall be responsible for payment of:

- a. Clipper<sup>®</sup> Data Server (CDS) Store operating costs specified below for any CDS Store implemented on such Operator’s site;

- b. Credit/debit interchange fees charged through ticket office terminal devices using an Operator specific credit/debit gateway. This responsibility is subject to review pursuant to Article I.E to ensure that no single Operator is unfairly burdened by such fees; and
- c. Incremental Clipper<sup>®</sup> operating costs established by and/or resulting from Clipper<sup>®</sup> Contract change orders requested and funded by an Operator for such Operator's use and benefit shall be the responsibility of such Operator. This applies to costs or portions of costs that would otherwise be MTC's responsibility as described below.

## 2. **Clipper<sup>®</sup> Costs**

### A. MTC Operating and Maintenance Costs. MTC shall pay the following Clipper<sup>®</sup> operating costs:

- i. All fixed operating costs of the Clipper<sup>®</sup> clearinghouse and equipment maintenance services costs as specified in the Clipper<sup>®</sup> Contract's Price Schedule (Attachment 2 to the Clipper<sup>®</sup> Contract) (the "Price Schedule"), including:
  - a. Item 3.20 Program Management – Operations and Maintenance
  - b. Item 3.30 Clipper<sup>®</sup> Testbed Operations & Maintenance
  - c. Item 5.31 Operator Help Desk
  - d. Item 5.32 Reporting
  - e. Item 5.33 Asset Management
  - f. Item 6.0 Equipment Maintenance Services
  - g. Item 10.21(a) Location Acquisition
  - h. Item 10.22 Location Servicing and Support
  - i. Item 10.23 (a) Acquisition Payment for Third Party Location
  - j. Item 12.0 Network Management
  - k. Item 13.22 Basic Monthly Operations and Admin
- ii. Variable Clipper<sup>®</sup> operating costs as specified in the Price Schedule (Attachment 2 to the Clipper<sup>®</sup> Contract), specifically:
  - a. Item 7.10-2 Senior and Youth Card Mail-In Applications
  - b. Item 8.10(a-g) Card Distribution Services
  - c. Item 8.11 Card Distribution Services
  - d. Item 8.12 Card Distribution Services
  - e. Item 8.20 Cardholder Education
  - f. Item 8.31 Location Acquisition for Completion of Distribution Network
  - g. Item 8.32 Location Acquisition for Completion of Distribution Network
  - h. Item 8.41 Pass Through of Amounts Paid for Installation of Phone Lines
  - i. Item 9.41 Fixed and Incremental Fees Per Active Card Account (50% of the invoiced amount)
  - j. Item 9.5 Service Level Standard Incentives and Abatements
  - k. Item 13.100 Mobile Website Operations and Maintenance
- iii. All other lump sum and capital expense items specified in the Price Schedule not enumerated above or covered by Section 2.B.

B. Operator Operating Costs.

- i. Operators shall pay the following listed Clipper<sup>®</sup> operating costs in accordance with the cost sharing formula in Section 1, reduced by any amounts payable by MTC pursuant to Section 2.A. References to Item numbers refer to the corresponding prices payable to the Clipper<sup>®</sup> Contractor under the Price Schedule, which are subject to annual price adjustment as specified in Article 13.6 of the Clipper<sup>®</sup> Contract:
  - a. Item 9.24 Balance Protection Services Registration
  - b. Item 9.25 Lock/unlock Clipper<sup>®</sup> Application
  - c. Item 9.41 Fixed and Incremental Fees Per Active Card Account (50% of the invoiced amount)
  - d. Item 10.11 Clipper<sup>®</sup> E-purse Load
  - e. Item 10.12 Pass/Stored Ride Load
  - f. Item 10.24 Employer Program Commission
  - g. Item 11.0 Autoload Services
  - h. Item 13.22.45 Supplemental Monthly Operations and Admin
  - i. Item 13.31 Clipper<sup>®</sup> Transaction Fee
  - j. Item 13.60 Incremental Gateway Fees
  - k. Item 13.70 Incremental Debit Card Interchange Fees
  - l. Item 13.80 Incremental Credit Card Interchange Fees
  - m. Item 13.90 Pass Through Website Credit Card Processing Fees
  - n. Reimbursement of Contracting Agency bank fees and direct bank charges in connection with the Clipper<sup>®</sup> bank account(s) in excess of the amounts reimbursed under Section 3.A below
  - o. Direct payment or reimbursement of Contracting Agency costs for network communication.
  - p. Direct payment or reimbursement of Contracting Agency costs for materials necessary for additional printing, e.g. secondary printing or personalization, on Clipper<sup>®</sup> cards
  - q. Reimbursement of Contracting Agency costs for a portion of salary and benefits of any additional staffing as approved by the Executive Board to support the Clipper<sup>®</sup> program.
  - r. Reimbursement of Contracting Agency costs for a portion (at least fifty percent) of the salary and benefits of the Clipper Executive Director as approved by the Executive Board.
  - s. Reimbursement of Operator costs for credit/debit interchange fees charged through an Operator-specific gateway associated with Clipper<sup>®</sup> sales through add value and ticket vending machines, as long as the total average fees do not substantially exceed the average Clipper fees. Reimbursement procedures are subject to the adoption by the Clipper<sup>®</sup> Executive Board at least 90 days in advance.
- ii. Changes or Additions to Operator Operating Costs Items. Except as reserved for Executive Board approval in 2.B(i)(q, r, s), substantive changes or additions to the Operator-paid operating cost items set forth in Section 2.B(i) require an amendment to this Appendix B and approval of all Parties to the MOU as of the date of the change or addition.



- C. Contracting Agency shall invoice each Operator on a monthly basis for its share of the operating costs. The Operators shall pay Contracting Agency within fifteen (15) calendar days of receipt of such invoice.

### **3. Revenue Allocation**

Revenues generated by Clipper® during any period of time, including interest earnings on funds held by the clearinghouse and excluding fare revenues or parking fees collected on behalf of and distributed to Operators, shall be utilized as follows:

- A. To offset Contracting Agency's bank fees and direct bank charges related to the managing of the Clipper® accounts;
- B. After deduction of Contracting Agency's bank fees and charges under Section 3.A above, to reduce the Operators' Clipper® operating costs listed in Section 2.B(i) above; and
- C. After payment of Operators' Clipper® operating costs listed in Section 2.B(i) above, to be allocated to Operators by applying the percentage of cards used by Operator specified in Section 1 herein, unless otherwise authorized by the Executive Board.

Notwithstanding the above, fees charged cardholders for card acquisition, card replacement, balance restoration, failed Autoload funding recovery, card refund processing, and other card-related activities shall be reserved to pay for future card procurements; provided, however, that surcharges on limited use cards or other fare media imposed by an Operator to pay for the acquisition, implementation, administration and replacement of such fare media shall be distributed to and retained by such Operator. (For clarity, any surcharge imposed by an Operator as part of its fare structure shall be considered "fare revenue" and shall be distributed to and retained by such Operator.)

### **4. Review**

The Parties acknowledge that this Appendix B is based upon and specific to the payment terms of the existing Clipper® Contract which has a term through November 2, 2019. Therefore, the Parties agree to commence timely, good-faith negotiations to implement revisions to this Appendix B necessitated by any Executive Board approval of (a) any extension to the existing Clipper contract or (b) any contracts that succeed or replace the existing Clipper contract, whether in whole or in part, that would take effect on such successor contract's effective date."

## Appendix C

### Program Goals and Performance Measures

*The program goals and performance measures below are intended to guide the development and ongoing operations of Clipper®, however, specific actions and targets may be constrained by legal, fiscal and system limitations.*

**Goal: Provide an intuitive, efficient, and familiar experience**

- Electronic fare payment is the primary payment method for all transportation fares and fees
  - ✓ Mobile fare payment is integrated into and branded as Clipper®
  - ✓ Parking at transit stations is paid with Clipper®
  - ✓ Bikeshare at transit stations can be paid with Clipper®
  - ✓ Paratransit trips can be paid with Clipper®
- Transit systems to move 100% to Clipper or incentivize use of Clipper® depending on mode
  - ✓ Heavy commuter rail and ferry systems accept only Clipper® (extended and limited use)
  - ✓ Bus/light rail operators to adopt fare differentials to incentivize use of Clipper® and transition remaining products to Clipper®

**Goal: Provide excellent, proactive customer service**

- Customers can easily obtain and use Clipper®
  - ✓ Media dispensing and reloading options are widely available
  - ✓ Ticket vending machines offering new cards and add-value are located at all heavy rail and ferry locations
  - ✓ Online transactions are immediately available for use
  - ✓ Third-party vendor locations are easily accessible in all service areas
  - ✓ Streamline process for refunds and replacements
  - ✓ Support payment for families, groups, institutional programs, and events

**Goal: Create a transparent, consistent, inclusive and timely decision-making process**

- Implement process for operator involvement in work plan development, field equipment procurement and change order process

**Goal: Govern the program efficiently and cost-effectively**

- Adopt standard fare categories and discount levels
  - ✓ Minimum \$0.50 discount for full-fare adult transfer customers to bus and light rail
  - ✓ Establish uniform youth discount for ages five to 18 and senior discount for ages 65 and older
- Evaluate staffing plan to enhance internal program resources and reduce reliance on consultants

**Goal: Ensure that accurate and complete data is available to support decision making at every level**

- System integrates with vehicle on-board equipment to incorporate route, location and revenue information where necessary
- Clipper® data is accessible to operators and the public to the full extent contemplated by the Clipper® privacy policy

**Goal: Ensure program flexibility and responsiveness**

- System design and contract includes a streamlined process for common changes such as fare adjustments and route changes and additions

**Goal: Ensure operational efficiency and reliability**

- Ensure continued competitive equipment availability, automated status reporting and remote diagnostics
- Utilize open architecture

## **Appendix D**

### **Dispute Resolution**

The Parties agree to resolve disputes concerning this MOU between or among one or more Parties based on the following dispute resolution principles.

#### **1. Informal Dispute Resolution**

The Parties agree to attempt to resolve informally all disputes. In the event of a dispute among any Parties to the MOU, those Parties shall notify every other Party in writing about the substance of the dispute. The Parties to the dispute shall meet and confer by exchanging written positions on the dispute, and by meeting in person thereafter to discuss and resolve the dispute. If those representatives are unable to resolve the dispute, the chief executives of those Parties shall be informed of the substance of the dispute and provided all writings that have been exchanged regarding the dispute. The chief executives shall meet and confer in person or by telephone concerning the dispute, and may choose to exchange letters in preparation for the meet and confer.

#### **2. Mediation**

If the dispute is not resolved, the Parties may avail themselves by mutual consent to mediation, arbitration (binding or non-binding), or any other dispute resolution resource (collectively "Alternate Dispute Resolution (ADR) processes"). All procedures and methodologies in ADR processes shall be by mutual consent of the Parties, including but not limited to the choice of the mediator or arbitrator, dates and times and timelines, whether documents are exchanged in preparation for the ADR session, etc. Fees and expenses of the mediator will be borne equally, unless otherwise agreed. The Parties to the dispute shall be represented by individuals of their choosing, except that the Parties must agree on the question of whether lawyers are present or not. The entire process shall be confidential and treated as a compromise negotiation for purposes of federal and state rules of evidence. If ADR processes are agreed on, the Parties shall agree on the identity of the mediator or arbitrator within 30 days of agreeing on the ADR process. The Parties shall not unreasonably withhold consent as to the choice of the mediator or arbitrator. Unless the schedule of the mediator or arbitrator does not permit, the Parties shall have their ADR process completed within 60 days after agreement on the choice of the mediator or arbitrator. Nothing in this MOU affects the rights or abilities of the Parties to avail themselves of all rights and remedies they have under the law of California or federal law, and to the state or federal courts to resolve their dispute.

#### **3. Financial Obligations**

A Party who disputes amounts claimed by the Contracting Agency to be due under the MOU agrees to pay the amount claimed pending dispute resolution.

## Appendix E

### Special Provisions for the City and County of San Francisco

(References to “City” in Paragraphs 1 and 2 refer to the City and County of San Francisco)

**1. Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation.** This Agreement is subject to the budget and fiscal provisions of the City’s Charter. Charges will accrue only after prior written authorization certified by the Controller, and the amount of City’s obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization. This Agreement will terminate without penalty, liability or expense of any kind to City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated. City has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. Contractor’s assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.

**2. Guaranteed Maximum Costs.** The City’s obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification. Except as may be provided by laws governing emergency procedures, officers and employees of the City are not authorized to request, and the City is not required to reimburse the Contractor for, Commodities or Services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law. Officers and employees of the City are not authorized to offer or promise, nor is the City required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the Controller. The Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

**3. Sunshine Ordinance.** In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors’ bids, responses to solicitations and all other records of communications between City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization’s net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

## Appendix F

### Notices

<b>Contact:</b>	<b>Mailing Address:</b>
Metropolitan Transportation Commission Name: Carol Kuester Title: Director, Electronic Payments Email: ckuester@mtc.ca.gov Phone: 510-817-5853 Fax: 510-817-5848	<i>Until February 1, 2016</i> 101 – 8th Street Oakland, CA 94607  <i>After February 1, 2016:</i> 375 Beale Street San Francisco, CA 94105
Alameda-Contra Costa Transit District Name: _____ Title: _____ Email: _____ Phone: _____ Fax: _____	1600 Franklin Street Oakland, CA 94612
Central Contra Costa Transit Authority Name: _____ Title: _____ Email: _____ Phone: _____ Fax: _____	2477 Arnold Industrial Way Concord, CA 94520
City of Fairfield, as the operator of Fairfield and Suisun Transit Name: _____ Title: _____ Email: _____ Phone: _____ Fax: _____	
City of Petaluma Name: _____ Title: _____ Email: _____ Phone: _____ Fax: _____	
City and County of San Francisco, acting by and through its Municipal Transportation Agency Name: _____ Title: _____ Email: _____ Phone: _____ Fax: _____	1 South Van Ness Avenue, 7th Floor San Francisco, CA 94103

<p>Eastern Contra Costa Transit Authority  Name: _____  Title: _____  Email: _____  Phone: _____  Fax: _____</p>	
<p>Golden Gate Bridge Highway and Transportation District  Name: _____  Title: _____  Email: _____  Phone: _____  Fax: _____</p>	<p>P.O. Box 9000, Presidio Station  San Francisco, CA 94129-0601</p>
<p>Livermore/Amador Valley Transit Authority  Name: _____  Title: _____  Email: _____  Phone: _____  Fax: _____</p>	
<p>Marin County Transit District  Name: _____  Title: _____  Email: _____  Phone: _____  Fax: _____</p>	
<p>Napa County Transportation and Planning Agency  Name: _____  Title: _____  Email: _____  Phone: _____  Fax: _____</p>	
<p>Peninsula Corridor Joint Powers Board  Name: Rita P. Haskin  Title: Executive Officer, Customer Service  and Marketing  Email: haskinr@samtrans.com  Phone: 650-508-6248  Fax: 650-508-7919</p>	<p>P.O. Box 3006  San Carlos, CA 94070-1306</p>
<p>San Francisco Bay Area Rapid Transit District  Name: Patricia Nelson  Title: Project Manager, Clipper Program  Email: <a href="mailto:pnelson@bart.gov">pnelson@bart.gov</a>  Phone: 510-874-7323  Fax: 510-287-4747</p>	<p>300 Lakeside Drive, 16th floor  Oakland, CA 94612</p>

<p>San Francisco Bay Area Water Emergency Transportation Authority</p> <p>Name: _____</p> <p>Title: _____</p> <p>Phone: _____</p> <p>Fax: _____</p>	
<p>San Mateo County Transit District</p> <p>Name: Rita P. Haskin</p> <p>Title: Executive Officer, Customer Service and Marketing</p> <p>Email: <a href="mailto:haskinr@samtrans.com">haskinr@samtrans.com</a></p> <p>Phone: 650-508-6248</p> <p>Fax: 650-508-7919</p>	<p>P.O. Box 3006 San Carlos, CA 94070-1306</p>
<p>Santa Clara Valley Transportation Authority</p> <p>Name: Ali Hudda</p> <p>Title: Deputy Director, Accounting</p> <p>Email: <a href="mailto:ali-hudda@vta.org">ali-hudda@vta.org</a></p> <p>Phone: 408-546-7922</p> <p>Fax: _____</p>	<p>3331 N. First Street, Building C San Jose, CA 95134-1906</p>
<p>Solano County Transit</p> <p>Name: _____</p> <p>Title: _____</p> <p>Email: _____</p> <p>Phone: _____</p> <p>Fax: _____</p>	
<p>Sonoma County Transit</p> <p>Name: _____</p> <p>Title: _____</p> <p>Email: _____</p> <p>Phone: _____</p> <p>Fax: _____</p>	
<p>Sonoma-Marin Area Rail Transit</p> <p>Name: _____</p> <p>Title: _____</p> <p>Email: _____</p> <p>Phone: _____</p> <p>Fax: _____</p>	
<p>Vacaville City Coach</p> <p>Name: _____</p> <p>Title: _____</p> <p>Email: _____</p> <p>Phone: _____</p> <p>Fax: _____</p>	

<p>Western Contra Costa Transit Authority          Name: _____          Title: _____          Email: _____          Phone: _____          Fax: _____</p>	
<p>City of Santa Rosa          Name: _____          Title: _____          Email: _____          Phone: _____          Fax: _____</p>	
<p>City of Union City          Name: _____          Title: _____          Email: _____          Phone: _____          Fax: _____</p>	



RESOLUTION NO. 2016-008

BOARD OF DIRECTORS, CENTRAL CONTRA COSTA TRANSIT AUTHORITY  
STATE OF CALIFORNIA

\* \* \*

**AUTHORIZING GENERAL MANAGER TO EXECUTE  
AMENDED AND RESTATED CLIPPER® MEMORANDUM OF UNDERSTANDING  
WITH METROPOLITAN TRANSPORTATION COMMISSION (MTC)  
AND BAY AREA TRANSIT OPERATORS, AND RELATED ACTIONS**

**WHEREAS**, the County of Contra Costa and the Cities of Clayton, Concord, the Town of Danville, Lafayette, Martinez, the Town of Moraga, Orinda, Pleasant Hill, San Ramon and Walnut Creek (hereinafter "Member Jurisdictions") have formed the Central Contra Costa Transit Authority ("CCCTA"), a joint exercise of powers agency created under California Government Code Section 6500 *et seq.*, for the joint exercise of certain powers to provide coordinated and integrated public transportation services within the area of its Member Jurisdictions;

**WHEREAS**, Clipper® is the automated fare payment system for intra- and inter-operator transit trips in the San Francisco Bay Area that has been implemented and is currently being operated on 20 transit systems;

**WHEREAS**, the Metropolitan Transportation Commission (MTC) entered into a contract with Cubic Transportation Systems, Inc. to implement, operate and maintain the Clipper fare payment system through November 2, 2019;

**WHEREAS**, in November 2011, a Memorandum of Understanding Regarding Operations and Maintenance of Clipper Fare Collection System (2011 MOU) was adopted by seven participating transit operators and MTC to delineate the respective responsibilities of MTC and the transit operators, the process for amending Clipper operating rules, a dispute resolution process, and the basis for allocation of operating costs and revenues;

**WHEREAS**, by Resolution 2015-013, adopted October 23, 2014, the CCCTA Board of Directors approved participation in the Clipper® program and authorized the General Manager to execute the Supplemental Agreement to the 2011 MOU;

**WHEREAS**, the transit agencies and MTC have examined the successes and challenges of the program to date and have identified certain areas in which existing arrangements should be modified or clarified to maximize the benefits of the continued expansion, modification, operations and maintenance of the Clipper program;

**WHEREAS**, transit agencies and MTC negotiated the proposed Amended and Restated Memorandum of Understanding (Amended MOU) to replace the 2011 MOU;

**WHEREAS**, the Amended MOU establishes a Clipper Executive Board made up of one representative from the San Francisco Municipal Transportation Agency (SFMTA), Bay Area Rapid Transit (BART), Caltrain/SamTrans, AC Transit, Santa Clara Valley Transportation Agency (VTA), the Golden Gate Bridge, Highway and Transportation District, and MTC, and two representatives selected to represent all other participating agencies to oversee the Clipper program, including establishing and evaluating performance goals, adopting a biennial work plan and budget and approving all significant business matters;

**WHEREAS**, the Amended MOU establishes a Contracting Agency to procure, award and manage contracts, and carry out the duties and responsibilities necessary for the operation, maintenance and expansion of the Clipper program;

**WHEREAS**, the Amended MOU establishes a position of Clipper Executive Director responsible for the regional coordination of the Clipper program, oversight of contractors, and implementing the goals and work plan as adopted by the Executive Board;

**WHEREAS**, the Amended MOU provides for a revised cost allocation formula between operators that will more equitably distribute costs among the various operators based on actual usage, revenues and trip transactions;

**WHEREAS**, the Amended MOU establishes program goals and performance measures to guide the ongoing development and operation of the Clipper program; and

**WHEREAS**, the Administration & Finance Committee concurs with the staff recommendation as set forth in its report of September 29, 2015, to execute the Amended and Restated Clipper MOU.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Central Contra Costa Transit Authority hereby approves and authorizes the General Manager, or his designee, to execute the Amended and Restated Memorandum of Understanding with the Metropolitan Transportation Commission and Bay Area transit operators; and

**BE IT FURTHER RESOLVED** that the General Manager is authorized to take all necessary actions to implement the terms and conditions of the Amended and Restated Memorandum of Understanding, consistent with the role of CCCTA as a participating transit operator.

Regularly passed and adopted this 15<sup>th</sup> day of October, 2015, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Robert Storer, Chair, Board of Directors

ATTEST:

\_\_\_\_\_  
Lathina Hill, Clerk to the Board

To: Board of Directors

Date: October 9, 2015

From: J. Scott Mitchell  
Director of Maintenance

Reviewed by:

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### SUBJECT: Leased Tires and Related Services Contract

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**BACKGROUND:** Central Contra Costa Transit Authority leases the tires on the revenue vehicles. Every five (5) years, the maximum term allowed by the Federal Transit Administration, County Connection goes to bid for a renewal contract.

**SUMMARY OF ISSUES:** An Invitation For Bids (IFB) was issued on June 29, 2015 to seek a new contract for this service. On the bid opening date of August 18, 2015, one bid was received; that bid was from Goodyear. Firestone had previously issued a letter stating that it did not intend to bid on our IFB.

County Connection is in need of a contract for the continued supply of tires for the revenue buses. The advantage to having a tire company under contract for the supply of tires provides County Connection with a guarantee of tires in the event of a materials shortage for the production of bus tires. Although County Connection received a single bid, the cost analysis did show that the Goodyear bid was fair and equitable.

**OPTION 1:** The O&S Committee recommend that the County Connection Board of Directors award a contract to The Goodyear Tire & Rubber Company for Leased Tires and Related Services.

**OPTION 2:** The Board of Directors direct staff to re-advertise the procurement.

**FINANCIAL IMPLICATIONS:** Tires: The IFB response by Goodyear contains fixed rates for each of the five years of the contract period. The rates for tires for the first year of the contract are as follows:

Tires on the 35' and 40' coaches: .006900/mile  
Tires on the 29' coaches: .008056/mile  
Tires on the electric trolleys: 0.010070/mile

The first year annual financial implication for tires will be a decrease of \$7,034.04 - a decrease of 4.7%.

Service: The rate for Service for the first year of the new contract is \$6,345/month.

The first year annual financial implication for Service will be an increase of \$245.00 - an increase of 4.02%.

After the first year, the bid submitted by Goodyear lists the following percentage increases:

Second Year 0% for Tires and 4.96% for Service  
Third Year 3.0% for Tires and 5.03% for Service  
Fourth Year 4.0% for Tires and 5.00% for Service  
Fifth Year 4.98% for Tires and 4.97% for Service

**RECOMMENDATIONS:** The O&S Committee recommend that the Board of Directors award a five (5) year contract to The Goodyear Tire & Rubber Company at the guaranteed rates specified in their bid of August 17, 2015.

**ACTION REQUESTED:** The O&S Committee recommend that the Board of Directors at its October 15, 2015 meeting, authorize the General Manager to award a contract by County Connection to The Goodyear Tire & Rubber Company for a five (5) year period at the guaranteed rates specified in their bid for Leased Tires and Related Services.

RESOLUTION NO. 2016-009

BOARD OF DIRECTORS, CENTRAL CONTRA COSTA TRANSIT AUTHORITY  
STATE OF CALIFORNIA

\* \* \*

AUTHORIZING AWARD OF CONTRACT TO THE GOODYEAR TIRE AND RUBBER COMPANY FOR  
LEASED TIRES AND RELATED SERVICES

**WHEREAS**, the County of Contra Costa and the Cities of Clayton, Concord, Lafayette, Martinez, Orinda, Pleasant Hill, San Ramon, and Walnut Creek, and the Towns of Danville and Moraga (hereinafter "member jurisdictions"), have formed the Central Contra Costa Transit Authority (CCCTA), a joint exercise of powers agency created under California Government Code Sections 6500, *et seq.*, to provide coordinated and integrated public transportation services within the area of such member jurisdictions;

**WHEREAS**, on June 29, 2015, the CCCTA issued an Invitation for Bids for Leased Tires and Related Services for a term of five years;

**WHEREAS**, one (1) bid was received from the Goodyear Tire and Rubber Company (Goodyear);

**WHEREAS**, staff and Legal Counsel reviewed the bid and determined that it was responsible and responsive to the specifications;

**WHEREAS**, staff conducted a price analysis and determined that Goodyear's bid price was fair and reasonable; and

**WHEREAS**, the Operating and Scheduling Committee concurs with the staff recommendation to award the contract for Leased Tires and Related Services to the Goodyear Tire and Rubber Company for an estimated amount of \$1,165,975.64 for a five-year term, which amount shall be based on the rates specified in Goodyear's bid and the CCCTA's needs during the contract term.

**NOW, THEREFORE, BE IT RESOLVED** that the Central Contra Costa Transit Authority Board of Directors hereby awards a contract to the Goodyear Tire and Rubber Company for Leased Tires and Related Services for an estimated amount of \$1,165,975.64 for a term of five (5) years, beginning November 1, 2015; and

**BE IT FURTHER RESOLVED** that the General Manager is authorized to execute a contract on behalf of CCCTA with the Goodyear Tire and Rubber Company, in full conformity with all of the terms and conditions in the Invitation for Bids and in a form approved by Legal Counsel.

Regularly passed and adopted this 15<sup>th</sup> day of October, 2015, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Robert Storer, Chair  
CCCTA Board of Directors

ATTEST:

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Lathina Hill, Clerk to the Board

To: Board of Directors

Date: October 9, 2015

From: Bill Churchill, Director of Transportation

Reviewed by:

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### **SUBJECT: Passenger Suspension/Exclusion Policy**

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#### **Summary of Issues:**

There is a growing trend across our nation where passengers riding public transit systems behave inappropriately causing significant disruptions and even create unsafe conditions for operators and other passengers. Unfortunately, County Connection has been experiencing this very same phenomenon and has been working to mitigate these disruptive behaviors in order to ensure the safety of our operators and passengers as well as ensure the system continues to be a reliable form of transportation for our community.

When passengers become violent the Authority relies upon the local police jurisdiction the incident occurs in for support. In these cases the response is generally quick and effective with a police officer removing and arresting the offending individual. Passengers who engage in violent behavior generally have been prosecuted and usually end up incarcerated for some time. Unlike systems in more urban environments, County Connection rarely experiences repeat offenses from an individual after their incarceration is over.

Although staff has worked effectively with the local jurisdictions to mitigate passengers disruptive behavior when it becomes violent, staff has been far less effective when the behavior is just short of being violent. One of the most challenging areas to manage and certainly where the bulk of negative occurrences seem to exist is where passengers are seriously disruptive but not violent. These behaviors vary widely from the disgruntled individual who stands in front of a bus to prevent its moving to vulgar racially charged language directed toward operators or other passengers. There is a relatively small group of repeat offenders causing significant delays to the system resulting in missed transfer connections to other buses or trains.

In order to more effectively deal with these non-violent disruptive passengers, staff has been working with Hanson & Bridgett and consulted with FTA's office of Civil Rights to develop a passenger suspension/exclusion policy that would provide the ability to suspend repeat offenders from using the County Connection fixed route system for short periods of time. Staff believes such a policy would be effective in reducing disruptive behavior on County Connection buses resulting in better on-time performance, improved employee morale and enhanced customer service (please refer to attached policy).

As a companion to a passenger suspension/exclusion policy it is important to have a passenger code of conduct posted on buses to inform riders of their responsibilities while using the system. Fortunately, a number of years ago staff posted a passenger code of conduct on buses that included a statement that disruptive behavior may result in removal from the bus (please see attached Code of conduct).

**Recommendation:**

The O&S Committee recommends the full Board adopt the attached Passenger Suspension/Exclusion policy.

**Financial Implications:**

Staff does not expect this policy to have a significant financial impact.

**Options:**

- 1) Approve recommendation
- 2) Decline recommendation
- 3) Request staff to modify the attached policy

**Attachments:**

Passenger Suspension/Exclusion policy

Passenger Code of Conduct

\*\* Resolution 2016-010 (provided under separate cover)

# **PASSENGER SUSPENSION/EXCLUSION POLICY**

## **CENTRAL CONTRA COSTA TRANSIT AUTHORITY**

**SUBJECT:** Service Suspension for Certain Conduct on County Connection Non-Paratransit Vehicles and/or Facilities

**POLICY:** The Central Contra Costa Transit Authority ("County Connection") has a commitment to provide quality and non-discriminatory public transportation within the County Connection service area. There are occasions, however, when customer behavior seriously disrupts or endangers the health and safety of our employees and other members of the public who use our services. When this occurs, it may be necessary to deny County Connection service and/or access to County Connection facilities to those customers in accordance with the criteria and procedures specified in this policy.

### **CRITERIA FOR SUSPENSION OF SERVICE AND/OR EXCLUSION FROM BUS OR TRANSIT FACILITIES**

The following conduct (hereinafter referred to as "Suspendable Conduct") will subject a County Connection customer to removal, including immediate removal where appropriate, and/or exclusion from County Connection buses and/or transit facilities:

1. Verbal or physical abuse of County Connection employees, or customers.
2. Behavior that presents a danger to the health, safety or welfare of the offending customer, other customers, or a County Connection employee. Such behavior includes conduct which is violent, seriously disruptive, or illegal as defined the California Penal Code.
3. Urinating, defecating, vomiting, spitting or inappropriately discharging of bodily fluids on transit property.
4. Soliciting, advertising, selling or distributing goods or services on transit property, except as authorized by County Connection or its agents.
5. Sexually harassing any County Connection employee or customer.
6. Harassing or abusing a County Connection employee or customer because of that person's race, nationality, sexual orientation or other protected classifications.
7. Disruptive conduct of customers temporarily unable to care for themselves due to illness or intoxication (alcohol, drugs, or other intoxicating substances), which interferes with the safe and smooth operation of the system.
8. Smoking or carrying a lighted or smoldering pipe, cigar, cigarette, electronic cigarette, or using any tobacco products on County Connection properties not designated as tobacco use areas.
9. Carrying any flammable liquid, explosive, acid or other article or material likely to cause harm to others.
10. Intentionally obstructing or impeding the flow of transit vehicles, passenger traffic, hindering or preventing access to transit vehicles or stations, or unlawfully interfering with the provision or use of public transportation services.
11. Intentionally disturbing others by engaging in loud, boisterous, raucous, unruly, or harassing behavior that is harmful and intimidating to others.
12. Destroying, defacing, or otherwise damaging property of County Connection. Willfully tampering with, removing, displacing, injuring, or destroying any part of any facility or vehicle of County Connection.
13. Possession of alcohol, controlled or hazardous substances, guns, knives or devices that are weapons or appear to be capable of being used as a weapon.
14. Criminal conduct prohibited by the California Penal Code.



**PROCEDURES FOR SERVICE SUSPENSION AND/OR EXCLUSION**

Service may be suspended and the passenger may be removed from the bus if a passenger engages in Suspendable Conduct. Based upon the seriousness of the passenger’s conduct, County Connection’s prior experiences with the passenger and, taking into account information presented by the involved passenger, County Connection will determine the length of the suspension or determine whether exclusion from service is warranted.

A Notice of Suspension/Exclusion will, if possible, be mailed to the involved passenger. If service of the Notice of Suspension/Exclusion on the passenger cannot be accomplished by regular mail, County Connection may use other methods of obtaining service on the passenger, including hand delivery.

Passengers may present information opposing a suspension or exclusion by contacting the Director of Transportation at County Connection headquarters located at 2477 Arnold Industrial Way, Concord, California. Information concerning the passenger's right to present opposing information will be included in the Notice of Suspension/Exclusion.

County Connection reserves the right to pursue all remedies at law, including but not limited to, enlisting the services of local law enforcement, petitioning the Superior Court for a temporary restraining order (TRO) and/or seeking a permanent injunction in appropriate cases.

DATE OF ADOPTION: \_\_\_\_\_

## **County Connection Passenger Code of Conduct**

### **For An Enjoyable Ride...**

- DO NOT DISTRACT THE OPERATOR – Your safety is in their hands.
- No smoking, use of electronic cigarettes, eating or drinking on the bus.
- Personal electronic devices can only be used with earphones.
- Animals other than service animals must be in a suitable container.
- There is space for two mobility devices on each bus. Dispatch will be alerted if this is insufficient, and patrons will be advised of service alternatives.
- Strollers must be in the folded position during transport, or stored so aisles are not blocked. Children must be held by the guardian.
- Priority seating is available for senior and disabled patrons. The operator may ask ambulatory riders to move if a senior or disabled patron boards.
- Vandalism is a crime. Persons caught vandalizing the bus will be prosecuted to the full extent of the law.
- Disruptive behavior may result in removal from the bus or arrest.
- Any passenger violating any of the rules will be refused service.