

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

BOARD OF DIRECTORS REGULAR MEETING AGENDA
APRIL 27, 2007 (Fourth Friday of Each Month)
SANTA CRUZ CITY COUNCIL CHAMBERS
809 CENTER STREET
SANTA CRUZ, CALIFORNIA
9:00 a.m. – 12:00 p.m.

THE BOARD AGENDA PACKET CAN BE FOUND ONLINE AT WWW.SCMTD.COM

NOTE: THE BOARD CHAIR MAY TAKE ITEMS OUT OF ORDER

SECTION I: OPEN SESSION - 9:00 a.m.

1. ROLL CALL
2. ORAL AND WRITTEN COMMUNICATION TO THE BOARD OF DIRECTORS
 - a. Jeffrey D. Bukowski, Stevens & Lee Re: RTCC Minutes Corrections
 - b. City of Capitola RDA Re: Public Hearing Notice
 - c. A. John Daugherty, Chair, E&D TAC Re: Service Request
 - d. R. Paul Marcelin-Sampson, MRU Re: Paratransit Recertification
 - e. Bud Winslow, Chair, AAA Re: ParaCruz Eligibility & Appeals Process
3. LABOR ORGANIZATION COMMUNICATIONS
4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

CONSENT AGENDA

- 5-1. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS FOR THE MONTH OF MARCH 2007
- 5-2. CONSIDERATION OF TORT CLAIMS:
DENY THE CLAIM OF BEN S. JONAS, CLAIM #07-0011
- 5-3. ACCEPT AND FILE METROBASE STATUS REPORT
- 5-4. ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC) AGENDA FOR APRIL 18, 2007 (No Minutes: no February or March meetings due to lack of quorum)
- 5-5. ACCEPT AND FILE PARACRUZ OPERATIONS STATUS REPORT FOR THE MONTH OF JANUARY 2007

- 5-6. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE FOR MONTH OF FEBRUARY 2007
- 5-7. ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR THE JANUARY, FEBRUARY & MARCH 2007 MEETING(S)
- 5-8. ACCEPT AND FILE NOTIFICATION OF ACTION TAKEN IN CLOSED SESSION REGARDING CLAIM OF CARLOS CARRERA
- 5-9. CONSIDERATION OF RECOMMENDATION TO APPROVE ASSESSMENTS FOR COOPERATIVE RETAIL MANAGEMENT DISTRICT

REGULAR AGENDA

- 6. EMPLOYEE LONGEVITY AWARDS: NONE
- 7. CONSIDERATION OF APPROVAL OF A **RESOLUTION** MODIFYING SANTA CRUZ METRO'S BYLAWS INCLUDING REFORMATTING THE REGULAR BOARD MEETINGS, AND ADDING LANGUAGE TO REQUIRE DIRECTORS TO FOLLOW CALIFORNIA LAW RE CONFLICTS OF INTEREST AND OTHER MINOR CHANGES
Presented By: Margaret Gallagher, District Counsel
- 8. CONSIDERATION OF MODIFICATIONS TO METRO'S PARACRUZ ELIGIBILITY AND APPEALS PROCESS REGULATION TO CONFORM THE REGULATION WITH THE ACTUAL PRACTICES, SUBSTITUTE MAC, INSTEAD OF MASTF, AS AN APPOINTING AUTHORITY TO THE APPEALS PANEL AND OTHER CHANGES
Presented By: Margaret Gallagher, District Counsel
- 9. CONSIDERATION OF DIRECTING STAFF TO IDENTIFY TRANSIT SYSTEMS INTERESTED IN ACQUIRING METRO'S RUBBER TIERED TROLLEY
Presented By: Leslie R. White, General Manager
- 10. CONSIDERATION OF TORT CLAIMS:
DENY THE CLAIM OF PAUL CROWLEY, CLAIM #07-0013
- 11. APPROVE REGULAR BOARD MEETING MINUTES OF MARCH 9 & 23, 2007
- 12. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR DECEMBER 2006 AND APPROVAL OF BUDGET TRANSFERS
Presented By: Angela Aitken, Finance Manager
- 13. ACCEPT AND FILE MARCH 2007 RIDERSHIP REPORT
Presented By: Mark Dorfman, Assistant General Manager

14. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT FOR FINANCIAL AUDIT AND TAX SERVICES
Presented By: Tom Stickel, Maintenance Manager
15. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT RENEWAL WITH VEHICLE MAINTENANCE PROGRAM, INC. FOR BUS FILTERS
Presented By: Tom Stickel, Maintenance Manager
16. ACCEPT AND FILE CALL STOP AUDIT REPORT FOR THE PERIOD OF JANUARY, FEBRUARY & MARCH, 2007
Presented By: Margaret Gallagher, District Counsel
17. CONSIDERATION OF CONTINUING SPONSORSHIP OF LEADERSHIP SANTA CRUZ COUNTY IN ORDER TO PROVIDE EDUCATION ON TRANSPORTATION ISSUES, SERVICES, AND FACILITIES
Presented By: Leslie R. White, General Manager
18. CONSIDERATION OF REQUEST FOR SHUTTLE SERVICE RECEIVED FROM THE CITY OF WATSONVILLE
Presented By: Leslie R. White, General Manager
19. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT FOR SUPPLEMENTAL PARATRANSIT SERVICES
Presented By: Tom Stickel, Maintenance Manager
20. CONSIDERATION OF REJECTING ALL BIDS RECEIVED FOR SUPPLY AND DELIVERY OF LIQUEFIED NATURAL GAS AND DIRECT THE PURCHASING AGENT TO RE-BID THE PROCUREMENT WITH REVISED AND ADDED SPECIFICATIONS
Presented By: Tom Stickel, Maintenance Manager
21. AUTHORIZE THE GENERAL MANAGER TO AMEND THE CONTRACT FOR THE PURCHASE OF THE TYPE 7 BUS TO REFLECT THE INCREASED COST
Presented By: Tom Stickel, Maintenance Manager
22. CONSIDERATION OF REMOVAL OF THE PAYROLL AND BENEFITS COORDINATOR CLASS SPECIFICATION TO CREATE THE NEW FINANCIAL ANALYST CLASS SPECIFICATION AND HOURLY SALARY RANGE
Presented By: Robyn Slater, Human Resources Manager

23. CONSIDERATION OF AMENDING THE MAC BYLAWS TO:
- 1) MODIFY SECTION 5.4 TO IDENTIFY A QUORUM FOR A MEETING AS A MAJORITY OF THE FILLED MEMBERSHIP POSITIONS WITH 4 MEMBERS BEING THE MINIMUM NUMBER FOR A QUORUM;
 - 2) MODIFY SECTION 3.1 TO PROVIDE THAT EACH MAC MEMBER THAT ATTENDS THE MONTHLY MEETING WILL BE PROVIDED WITH 3 SYSTEM-WIDE DAY PASSES EACH MONTH;
 - 3) MODIFY SECTION 2.2 TO ALLOW THE INSTALLATION OF MAC INFORMATIONAL SIGNS INSIDE OF METRO BUSES AND THE DISTRIBUTION OF AN INFORMATIONAL BROCHURE; AND
- CONSIDERATION OF HOLDING A JOINT MEETING OF THE BOARD OF DIRECTORS AND THE MAC IN JUNE 2007
- Presented By: Leslie R. White, General Manager
24. ORAL ANNOUNCEMENT: NOTIFICATION OF MEETING LOCATION FOR MAY 25, 2007 – CAPITOLA CITY COUNCIL CHAMBERS, 420 CAPITOLA AVE, CAPITOLA
- Presented By: Chair Tavantzis

ADJOURN

NOTICE TO PUBLIC

Members of the public may address the Board of Directors on a topic not on the agenda but within the jurisdiction of the Board of Directors or on the consent agenda by approaching the Board during consideration of Agenda Item #2 "Oral and Written Communications", under Section I. Presentations will be limited in time in accordance with District Resolution 69-2-1.

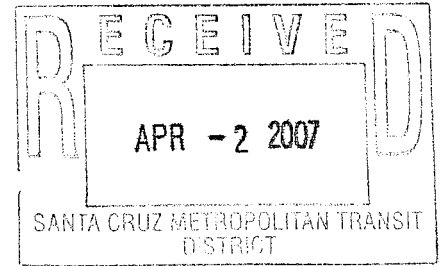
When addressing the Board, the individual may, but is not required to, provide his/her name and address in an audible tone for the record.

Members of the public may address the Board of Directors on a topic on the agenda by approaching the Board immediately after presentation of the staff report but before the Board of Directors' deliberation on the topic to be addressed. Presentations will be limited in time in accordance with District Resolution 69-2-1.

The Santa Cruz Metropolitan Transit District does not discriminate on the basis of disability. The City Council Chambers is located in an accessible facility. Any person who requires an accommodation or an auxiliary aid or service to participate in the meeting, please contact Cindi Thomas at 831-426-6080 as soon as possible in advance of the Board of Directors meeting. Hearing impaired individuals should call 711 for assistance in contacting METRO regarding special requirements to participate in the Board meeting. A Spanish Language Interpreter will be available during "Oral Communications" and for any other agenda item for which these services are needed. This meeting will be broadcast live by Community Television of Santa Cruz on Channel 26.

STEVENS & LEE
LAWYERS & CONSULTANTS

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P.O. Box 679
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www.stevenslee.com



Direct Dial: (610) 478-2215
Email: jdb@stevenslee.com
Direct Fax: (610) 988-0805

March 30, 2007

Regional Transit Coordinating Council (RTCC)

Attention: Procurement Committee Members

Re: Corrections to Minutes of January 18, 2007 RTCC Procurement Committee Meeting

To Whom It May Concern:

We are outside counsel to East Penn Manufacturing, Inc. (East Penn), the manufacturer of Deka® and other high quality batteries, including heavy duty coach and automotive lead acid batteries. East Penn was recently provided a copy of the minutes of the January 18, 2007 meeting of the Regional Transit Coordinating Council (RTCC) Procurement Committee. A copy of the meeting minutes provided to East Penn is attached for your convenience. East Penn has asked that we correct several statements contained in Paragraph 1 of those minutes so the RTCC and its member transit agencies do not rely on factually inaccurate information when planning their procurement activities.

First, Paragraph 1 states, "Per Chris Pruitt of Deka/East-Penn, Batteries USA is the sole proprietor of Deka batteries in this area." Christopher Pruitt is East Penn's Executive Vice President of Sales, Finance and Administration. Not only did Mr. Pruitt never make such a statement, the statement itself is factually incorrect. Batteries USA is not the sole proprietor of Deka® batteries in the geographic area covered by the RTCC. To the contrary, there are many companies in your geographic area that sell and distribute Deka® and other high quality batteries manufactured by East Penn.

Next, Paragraph 1 states, "Bayland Batteries is no longer able to sell Deka batteries to the transit agencies." This statement is also incorrect. Bayland Batteries is a wholly owned subsidiary of East Penn. Although Bayland Batteries has not recently bid on contracts to supply batteries to the RTCC's member transit agencies, it is free to do so at any time.

Finally, Paragraph 1 states, "Also per Deka batteries will be built at time of order. This will lead to a near 30 day lead time from order date." This statement is incorrect. Due to high demand for Deka® and other batteries throughout the world, East Penn does not wait to receive orders from battery resellers such as Batteries USA to build the batteries those resellers use to fulfill contracts they may have with their customers, including the RTCC's member transit

Philadelphia • Reading • Valley Forge • Lehigh Valley • Harrisburg • Lancaster • Scranton
Williamsport • Wilkes-Barre • Princeton • Cherry Hill • New York • Wilmington

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Regional Transit Coordinating Council
March 30, 2007
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agencies. East Penn does, however, strive to ship high quality Deka® and other batteries for resale to end users within a commercially reasonable time from their manufacture, and East Penn stands behind all of its batteries with a warranty. Therefore, the RTCC's member transit agencies should feel comfortable relying on Deka® batteries to serve their needs. If it is an issue, the RTCC's member transit agencies should discuss with their supplier any lead time needed to fulfill their respective battery contracts.

We appreciate the opportunity to correct the information in Paragraph 1 of the minutes of the January 18, 2007 meeting of the RTCC's Procurement Committee. If the RTCC, its Procurement Committee, or any of its member transit agencies have any questions or need further clarification, please do not hesitate to contact us.

Very truly yours,

STEVENS & LEE



Jeffrey D. Bukowski

JDB:tly
Enclosure

cc: Mr. Said Senan, Batteries USA
Distribution List (attached)

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Regional Transit Coordinating Council
March 30, 2007
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DISTRIBUTION LIST

Alameda-Contra Costa Transit District (AC Transit)

Attention: James Bonds
1600 Franklin Street
Oakland, CA 94612

Bay Area Rapid Transit District (BART)

Attention: Tom Margro, General Manager
P.O. Box 12688
Oakland CA 94604-2688

Caltrans, District 4

Attention: Bijan Sartipi, District 4 Director
111 Grand Avenue, P.O. Box 23660
Oakland, CA 94623-0660

Central Contra Costa Transit Authority (County Connection)

Attention: Scott Pevahouse
2477 Arnold Industrial Way
Concord, CA 94520

Eastern Contra Costa Transit Authority (Tri Delta)

Attention: Ann Hutcheson
801 Wilbur Avenue
Antioch, CA 94509

Golden Gate Bridge, Highway & Transportation District

Attention: Jason Brewer
P.O. Box 9000, Presidio Station
San Francisco, CA 94129-0601

Livermore/Amador Valley Transit Authority (WHEELS)

Attention: Barbara Duffy, General Manager
1362 Rutan Court, Suite 100
Livermore, California 94551

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Regional Transit Coordinating Council
March 30, 2007
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Metropolitan Transportation Commission

Attention: Steve Heminger, Executive Director
MetroCenter
101 Eighth Street
Oakland, CA 94607

San Francisco Municipal Transportation Agency (SFMTA)

Attention: Nathaniel Ford, Executive Director
1 South Van Ness Avenue, 7th Floor
San Francisco, CA 94103

San Joaquin Regional Transit District (SJRTD)

Attention: Dan Pereira
P.O. Box 201010
Stockton, CA 95201

San Mateo County Transit District (SamTrans)

Attention: George Fulscher
1250 San Carlos Avenue
P. O. Box 3006
San Carlos, CA 94070-1306

Santa Clara Valley Transportation Authority (VTA)

Attention: Michael Burns, General Manager
3331 North First Street
San Jose, CA 95134-1906

Santa Cruz Metropolitan Transit District (SCMTD)

Attention: Marcela Tavantzis, Chair
370 Encinal Street, Suite 100
Santa Cruz, CA 95060

Santa Rosa Department of Transit & Parking (Santa Rosa City Bus)

Attention: Bob Dunlavey, Director
City Hall, Room #6
100 Santa Rosa Avenue
Santa Rosa, CA 95404

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Regional Transit Coordinating Council
March 30, 2007
Page 5

Sonoma County Transit

Attention: Bryan Albee, Transit Manager
355 W. Robles Ave.
Santa Rosa, CA 95407

Vallejo Transit

Attention: Mike McCormack
Vallejo City Hall
555 Santa Clara Street
Vallejo, CA 94590

REGIONAL TRANSIT COORDINATING COUNCIL

AC Transit, BART, Caltrans, CCCTA, ECCTA, GGBHTD, LAVTA, MST, MTC, SamTrans, Santa Rosa, SCVTA, SCMTD, SF Muni, Vallejo

RTCC PROCUREMENT COMMITTEE MEETING

MINUTES

January 18, 2007

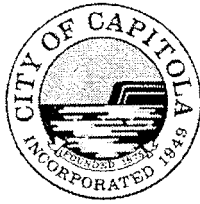
On Thursday, January 18, 2007, the RTCC Procurement Committee meeting was called to order at 10:10am. Those present were as follows:

Scott Pevahouse, CCCTA
James Bonds, AC Transit
Ann Hutcheson, ECCTA
Mike McCormack, Vallejo

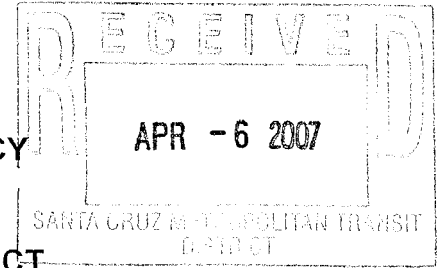
George Falscher, Sam Trans
Dan Pereira, SJRTD
Jason Brewer, GGT

1. **Battery Contract** - Bid was awarded to Batteries USA. Per Chris Fruit of Deka/East-Penn, Batteries USA is the sole proprietor of Deka batteries in this area. Bayland Batteries is no longer able to sell Deka batteries to the transit agencies. Also per Deka batteries will be built at time of order. This will lead to a near 30 day lead time from order date. Said of Batteries USA is scheduled to attend the February meeting to discuss any concerns the participating agencies may have as to this new contract. ALL AGENCIES participating in the battery contract are strongly urged to attend this meeting so that all issues both past and present may be discussed. A reminder that all agencies that are participating in the contract must have their own contract in place with Batteries USA.
2. **Brake Drums Contract**- A/C transit is having some fit issues with their KIC/Rayco drums. This drum is only awarded to A/C Transit so it should not affect the other agencies. Muncie is a direct distributor for Webb drums. JB has heard that Webb may be rethinking their decision to not drop ship to customers. Both Battery and Brake Drum bids set to expire on February 28, 2008.
3. The meeting was adjourned at 11:20 am.

2-a.6



**CITY OF CAPITOLA REDEVELOPMENT AGENCY
NOTICE OF PUBLIC HEARING REGARDING
REVIEW OF THE IMPLEMENTATION PLAN
FOR THE CAPITOLA REDEVELOPMENT PROJECT**



NOTICE IS HEREBY GIVEN that on Thursday, April 26, 2007, after the hour of 6:30 pm, the Redevelopment Agency of the City of Capitola will hold a public hearing to comply with Section 33490 of the State of California Health and Safety Code to hear testimony of all interested parties for the purpose of reviewing the Implementation Plan and for evaluating the progress of the Redevelopment Project.

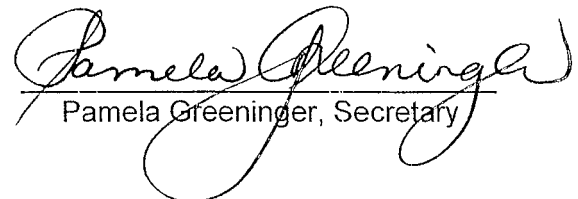
ALL INTERESTED PARTIES are invited to attend said hearing and participate in a discussion with the Redevelopment Agency Directors on the Implementation Plan. If you are unable to attend the public hearing, you may submit written comments prior to the hearing to Juliana Rebagliati, Community Development Director, City of Capitola Planning Department, 420 Capitola Avenue, Capitola, CA 95010, by email at jrebagliati@ci.capitola.ca.us, or by telephone at (831) 475-7300. In addition, the Implementation Plan may be reviewed at City Hall at the above address during the hours between 8:00 am and 5:00 pm on weekdays, at the Capitola Branch Library, 2005 Wharf Road, Capitola, or on the city's website at www.ci.capitola.ca.us.

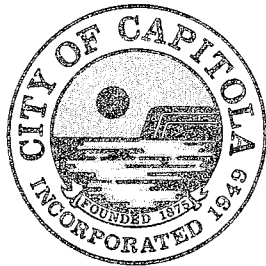
The City of Capitola promotes fair housing and makes all programs available regardless of age, race, color, religion, sex, national origin, sexual preference, marital status, or handicap.

The City Hall Council Chambers is an accessible facility. If you require special assistance in order to attend and participate in the meetings, including needs addressed by ADA, please notify the City Clerk at 475-7300 at least four (4) days in advance of the meeting.

City of Capitola Redevelopment Agency

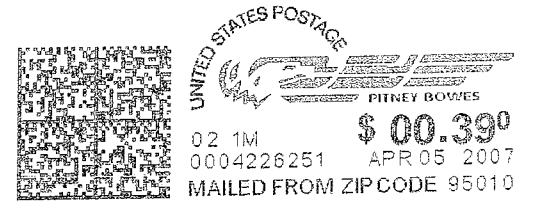
DATED: April 5, 2007


Pamela Greeninger, Secretary

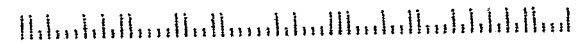


420 CAPITOLA AVENUE
CAPITOLA, CALIFORNIA 95010

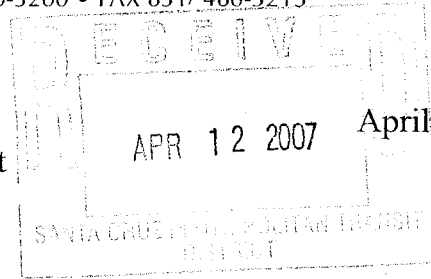
Santa Cruz Metropolitan Transit
District
Attn: Board of Directors
370 Encinal St., Ste. 100
Santa Cruz, CA 95060



95060+2173 CO19



2-b.2



Santa Cruz Metropolitan Transit District
370 Encinal, Suite 100
Santa Cruz, CA 95060

SERVICE AUTHORITY
FOR FREEWAY
EMERGENCIES
(SAFE)

Dear Chair Rotkin:

RAIL/TRAIL
AUTHORITY

The Elderly & Disabled Transportation Advisory Committee (E/D TAC) advises the Santa Cruz County Regional Transportation Commission (SCCRTC) and the Santa Cruz Metropolitan Transit District (Metro) on transportation needs for people with disabilities, seniors and persons with limited means.

COMMUTE
SOLUTIONS

At their April meeting, the E/D TAC passed the following motion:

TRANSPORTATION
POLICY WORKSHOP

Regarding the request to reinstate transit service to the senior residential facilities, library and Dominican Rehabilitation Center located in the Gault/Frederick Street area (see E/D TAC letter dated 12/12/06 and Metro letter dated 3/19/07): 1) the E/D TAC requests more information about the consultant that will be reviewing all service requests and about the development of a 5-year service plan; 2) the E/D TAC request information about the timeline for the consultant's recommendations and board review process; and 3) the E/D TAC encourages the Metro to solicit input from the E/D TAC and other groups representing seniors and people with disabilities in the development of the new service plan.

BUDGET &
ADMINISTRATION
PERSONNEL
COMMITTEE

INTERAGENCY
TECHNICAL
ADVISORY
COMMITTEE

BICYCLE COMMITTEE

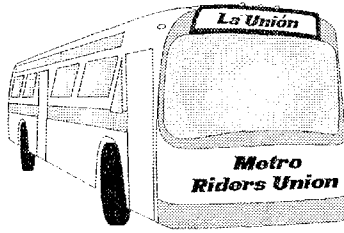
Sincerely,

A handwritten signature in black ink that reads "A. John Daugherty".

ELDERLY & DISABLED
TRANSPORTATION
ADVISORY COMMITTEE

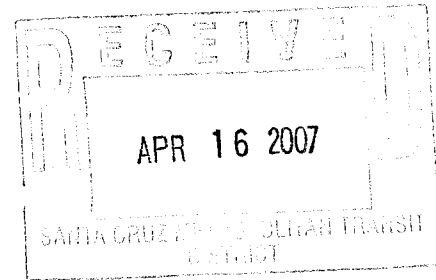
A. John Daugherty, Chair
Elderly and Disabled Transportation Advisory Committee

cc: Les White, General Manager, Metro
Ciro Aquirre, Operations Manager, Metro
Bob Yount, Chair, MAC
Tony Campos, Chair, SCCRTC
Tom Reeve, Director, Foster Grandparent/Senior Companion



The Metro Riders Union
La Unión de Los Pasajeros

Post Office Box 1402
Santa Cruz California 95061
www.iridethebus.org
info@metroridersunion.org
(831) 421-9031



April 16, 2007

Board of Directors
c/o Ms. Cindi Thomas,
Administrative Services Coordinator
Santa Cruz Metropolitan Transit District
370 Encinal Street Suite 100
Santa Cruz California 95060

Re: Opposition to Proposed Lax ADA Paratransit Recertification Policy

To the Board of Directors:

Metro knows from experience that letting ADA paratransit customers decide their own eligibility leads to over-certification, over-spending on paratransit, and reduction of bus service. The Metro Riders Union urges Metro to reconsider the changes to Sections 3.12 and 3.13 of the ADA paratransit eligibility policy that were proposed in the April 13, 2007 staff report. As surely as it is Metro's duty to "strictly limit ADA paratransit eligibility to individuals specified" [49 CFR 37.125(a), emphasis added], it is Metro's right to "require recertification of the eligibility of ADA paratransit eligible individuals at reasonable intervals" [49 CFR 37.125(f)]. But the proposed changes undermine this duty and this right by putting the onus on Metro to discover information that would alter a customer's eligibility, before Metro can call the customer in for an assessment!

How will Metro discover such information? A risky suggestion was offered at the April 13 board meeting: that paratransit operators report their observations about customers (in addition to the current, and necessary, practice of reporting changes in "seating type"). Not only does this suggestion turn operators into eligibility workers, but it flies in the face of what we know about the right way to work with people who have disabilities. It is inappropriate to make assumptions about what a person can or cannot do. If operators reject this risky duty, as they should, there will be no flow of new information to Metro. By checking the right box on the "simple ... one-page form", ADA paratransit customers will remain eligible forever, as was the past practice.

An in-person functional assessment is the right way for Metro to discover information that would alter a customer's eligibility. (A functional assessment involves determining what a customer can or cannot do, through an in-person interview with a specialist in ADA paratransit regulations.) Accordingly, Metro should conduct in-person functional assessments for a random sample of ADA paratransit customers — if not for all ADA paratransit customers — every three years. If sampling is used, the sample should be large enough that the results will be statistically valid.

2-d.1

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Board of Directors
April 16, 2007

At its April 1, 2004 meeting, the Santa Cruz County Regional Transportation Commission established a 24-member Paratransit Coordination Task Force and invited the Riders Union to appoint one member. The Task Force met monthly from May, 2004 through February, 2005, and as the Riders Union appointee, I saw first-hand how contentious the issue of ADA paratransit recertification had become. I also came to understand what was at stake: ADA paratransit costs Metro \$25+ per person-trip, whereas bus service costs \$5 per person-trip (and even less on productive routes like UCSC - Santa Cruz, Santa Cruz - Watsonville, or Highway 17).

The ADA paratransit roll had peaked at 10,000 customers in July, 2002. Some members of the Paratransit Task Force wanted a return to those 'good old days', when a handwritten note was sufficient to establish and maintain eligibility. Metro's former Manager of Operations, Mr. Bryant Baehr, recounted the handwritten note story and said that he had only found one instance of a person's being turned down in the history of the program!

Recertification with in-person assessment reduced the roll to 3,200 customers by June, 2004 (see attached). Of course, many former customers had moved away or died. Others had voluntarily left the program upon learning that Metro intended to enforce the eligibility criteria stipulated in ADA regulations. Still, 3.6% of customers who wanted to continue were found to be ineligible.

To put this result in perspective, next year's operating budget for ADA paratransit is \$3.9 million, not including headquarters overhead. If a complete recertification were conducted and 3.6% of customers happened to be ineligible, up to \$140,000 would be saved — enough to restore a weekday daytime bus route. This brings up another important point: being found ineligible for ADA paratransit does not make a person a shut-in; the person is able to use the bus by definition, preference and convenience considerations notwithstanding.

Correct eligibility decisions require good personnel, and Metro has so far been very fortunate in this regard. Key players include Mr. Les White, Ms. Margaret Gallagher, Mr. Ciro Aguirre, and Mr. Steve Paulson, who provide policy advice and implement the policies you approve; Mr. Mark Dorfman, who serves on the eligibility appeals panel; and Ms. Eileen Pavlik, who conducts the assessment interviews. As much as I would like it, none of these employees will be with Metro forever. It is likely that initial eligibility decisions will become less strict over time, as inevitable personnel transitions occur. And changes in a customer's situation can occur at any time. Conducting in-person functional assessments at regular intervals is the best way to ensure that the ADA paratransit roll will always include only those who are eligible.

Thank you for considering these comments.

Yours truly,

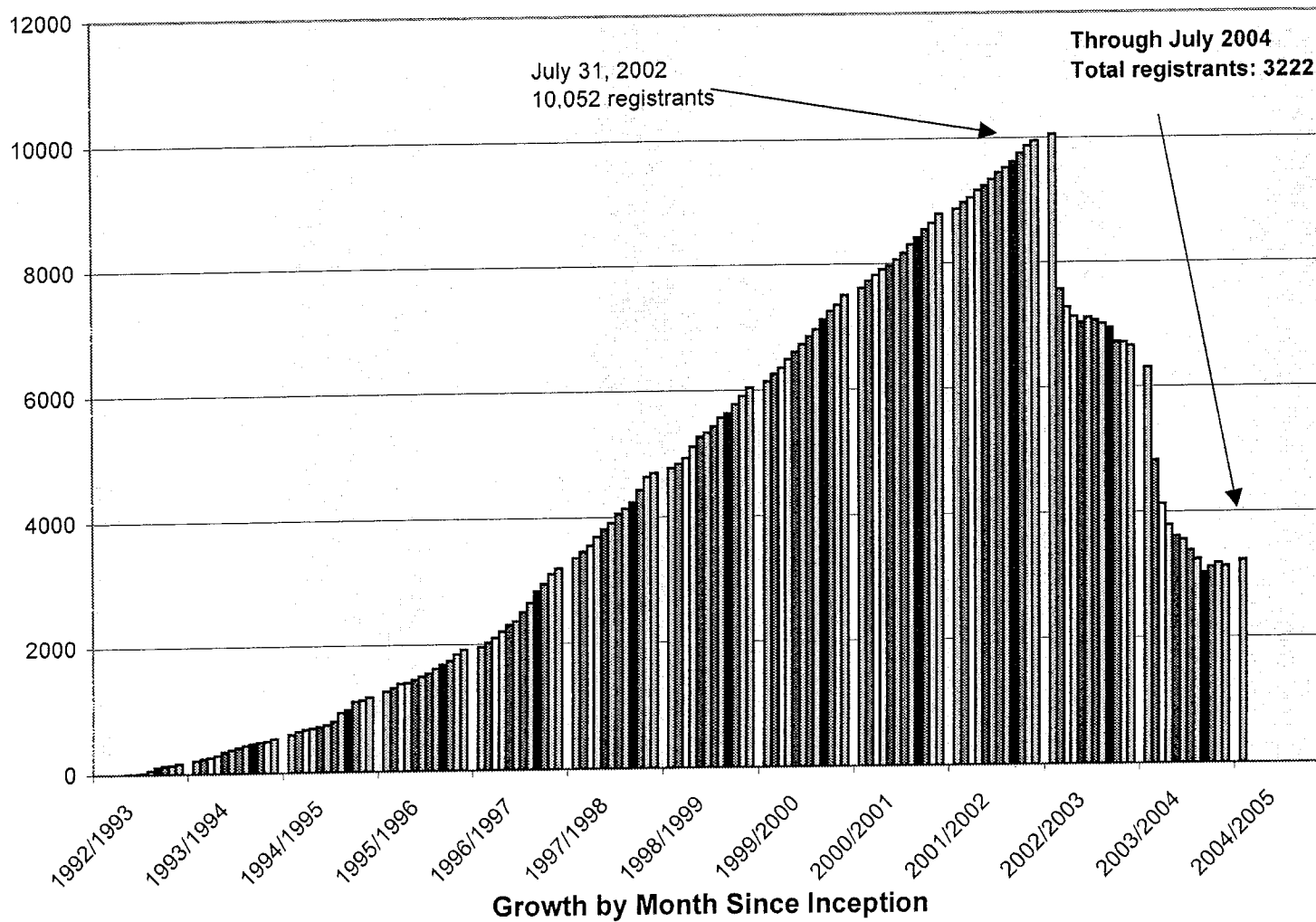


Mr. Regis Paul Marcelin-Sampson

Attachment

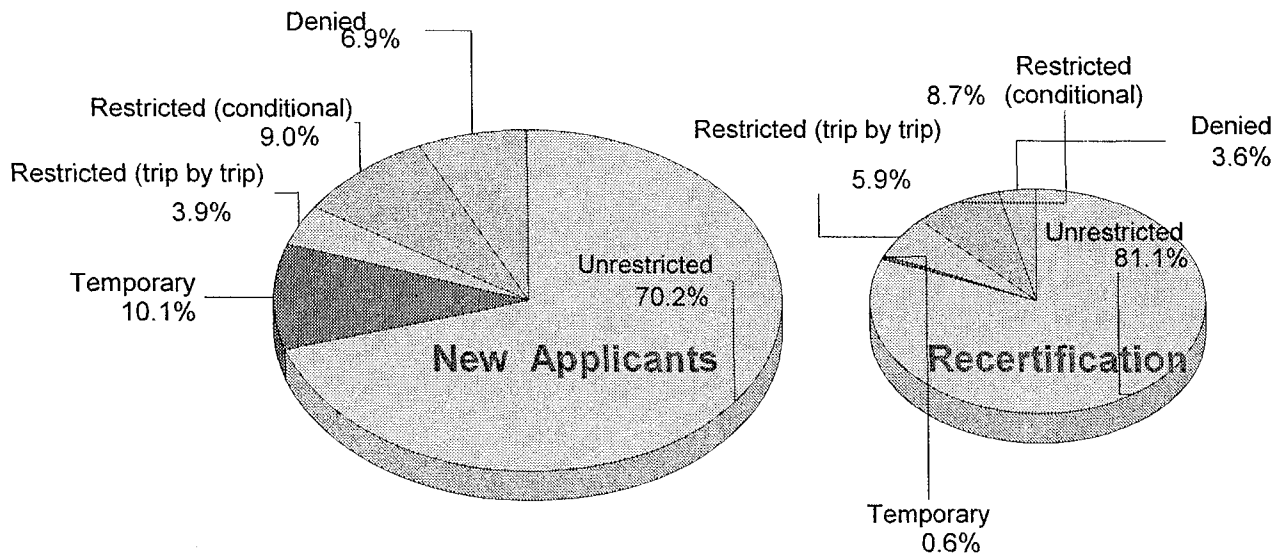
2-d.2

METRO ParaCruz Registrants



2-d.3

METRO ParaCruz Eligibility Determinations - Aug 1 02 through July 31 04



New Applicants

| | |
|---------------------------|-------------|
| Unrestricted | 1520 |
| Temporary | 218 |
| Restricted (trip by trip) | 84 |
| Restricted (conditional) | 194 |
| Denied | 150 |
| Group Total: | <u>2167</u> |

Recertification

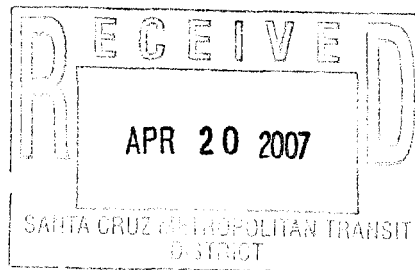
| | |
|---------------------------|-------------|
| Unrestricted | 1151 |
| Temporary | 9 |
| Restricted (trip by trip) | 84 |
| Restricted (conditional) | 124 |
| Denied | 51 |
| Group Total: | <u>1419</u> |

Grand Total: 3584

2-d.4

April 20, 2007

Santa Cruz Metropolitan Transit District
370 Encinal Street, Suite 100
Santa Cruz, CA 95060



RE: E & DTAC Eligibility and Appeals Process

Dear Santa Cruz Metro Transit District Board:

The Area Agency on Aging Advisory Council of Santa Cruz and San Benito Counties requests that the METRO Board of Directors not take action on proposed changes to the ParaCruz program policies until such changes have been reviewed by organizations representing seniors and the disabled community.

More specifically, the AAA Advisory Council is concerned Metro is once again changing rules without any notice or opportunity for comment from the Santa Cruz County Elderly and Disabled Transportation Advisory Committee (E&DTAC).

The AAA Advisory Council has a federal mandate to represent the elderly, including those who most desperately need reliable and safe transportation. Not allowing E&DTAC any opportunity to comment on proposed changes by the Metro Board puts seniors and individuals with disabilities at an unfair risk within the community. Despite the established protocol of SCTMD discussing changes to ParaCruz or other senior-related services with E&DTAC, changes continue to occur without any such discussion or notice. Seniors, individuals with disabilities, and their representatives must be included in policy discussions regarding services being provided to meet their unique needs.

We request that SCMTD solicit E & DTAC feedback before considering the ParaCruz policy changes contained in the April 13th SCMTD Board Packet. To ensure proper notification to seniors, the AAA Advisory Council also requests to receive advance notification of any current and/or future changes to ParaCruz services.

Thank you very much for your time. It is greatly appreciated and we look forward to your response.

Sincerely,

Bud Winslow, Chair
AAA Advisory Council

2-e.1

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
 CHECK JOURNAL DETAIL BY CHECK NUMBER
 ALL CHECKS FOR COAST COMMERCIAL BANK

DATE: 03/01/07 THRU 03/31/07

| CHECK NUMBER | CHECK DATE | CHECK AMOUNT | VENDOR | VENDOR NAME | VENDOR TYPE | TRANS. NUMBER | TRANSACTION DESCRIPTION | TRANSACTION AMOUNT | COMMENT |
|--------------|------------|--------------|--------|-------------------------------|-------------|---------------|-------------------------|--------------------|---------|
| 21107 | 03/02/07 | 491.82 | 001 | SBC | | 11051 | FEB REPEATERS/OPS | 405.59 | |
| | | | | | | 11052 | FEB REPEATERS/OPS | 86.23 | |
| 21108 | 03/02/07 | 725.00 | 001016 | ALLARD'S SEPTIC SERVICE, INC. | | 11053 | HAZ WASTE DISPOSAL | 725.00 | |
| 21109 | 03/02/07 | 3,556.58 | 001036 | STANDARD INSURANCE COMPANY | | 11054 | MAR LIFE/AD&D INS | 3,556.58 | |
| 21111 | 03/02/07 | 792,383.30 | 001063 | NEW FLYER INDUSTRIES LIMITED | | 11128 | REV VEH 684 | 684.03 | |
| | | | | | | 11129 | NEW BUS PARTS 6654 | 6,654.34 | |
| | | | | | | 11130 | 2 NEW CNG BUSES | 776,406.70 | |
| | | | | | | 11131 | CREDIT MEMO (173) | -173.01 | |
| | | | | | | 11132 | REV PARTS 123 | 123.09 | |
| | | | | | | 11133 | REV VEH PARTS 813 | 812.76 | |
| | | | | | | 11134 | REV VEH PARTS 742 | 742.23 | |
| | | | | | | 11135 | PARTS & SUPPLIES 427 | 426.92 | |
| | | | | | | 11136 | TIRES & TUBES 680 | 680.00 | |
| | | | | | | 11137 | REV VEH PARTS 393 | 392.55 | |
| | | | | | | 11138 | REV VEH PARTS 591 | 591.24 | |
| | | | | | | 11139 | REV VEH PARTS 1527 | 1,526.82 | |
| | | | | | | 11140 | REV VEH PARTS 28 | 27.66 | |
| | | | | | | 11141 | REV VEH PARTS 447 | 447.38 | |
| | | | | | | 11142 | REV VEH PARTS 419 | 418.66 | |
| | | | | | | 11143 | REV VEH PARTS 248 | 247.87 | |
| | | | | | | 11144 | REV VEH PARTS 522 | 521.61 | |
| | | | | | | 11145 | REV VEH PARTS 1852 | 1,852.45 | |
| 21112 | 03/02/07 | 46,637.50 | 001080 | OCTAGON RISK SERVICES, INC. | | 11055 | DEC-FEB WC ADM FEE | 46,637.50 | |
| 21113 | 03/02/07 | 71.98 | 001112 | BRINKS AWARDS & SIGNS | 7 | 11056 | PLATE/PLAQUE/ADM | 29.76 | |
| | | | | | | 11146 | NAME BADGES-OPS | 42.22 | |
| 21114 | 03/02/07 | 76,777.10 | 001316 | DEVCO OIL | | 11147 | FLT FUEL 2/13-2/26 | 76,777.10 | |
| 21115 | 03/02/07 | 326.00 | 001346 | CITY OF SANTA CRUZ | | 11057 | INSPECTION SVCS/MB | 326.00 | |
| 21116 | 03/02/07 | 209.14 | 001358 | MARINA MOTOR COMPANY | | 11148 | RPR/PTS REV VEH | 209.14 | |
| 21117 | 03/02/07 | 358.76 | 001454 | MONTEREY BAY OFFICE PRODUCTS | | 11058 | 3/1-5/31 COPIER/ADM | 158.84 | |
| | | | | | | 11149 | 11/15/06-2/14/07 FLT | 199.92 | |
| 21118 | 03/02/07 | 396.75 | 001492 | EVERGREEN OIL INC. | | 11059 | HAZ WASTE DISPOSAL | 396.75 | |
| 21119 | 03/02/07 | 333.56 | 002034 | CARLON'S FIRE EXTINGUISHER | | 11060 | OUT REPAIR/EQUIP | 333.56 | |
| 21120 | 03/02/07 | 2,185.75 | 002035 | BOWMAN & WILLIAMS | | 11061 | CHINA GRADE ROAD | 2,185.75 | |
| 21121 | 03/02/07 | 204.99 | 002063 | COSTCO | | 11062 | OFFICE SUPPLIES/FIN | 116.11 | |
| | | | | | | 11063 | PHOTO PROCESS/RISK | 3.79 | |
| | | | | | | 11064 | LOCAL MEETING EXP | 13.89 | |
| | | | | | | 11150 | PHOTO PROC-OPS | 27.35 | |
| | | | | | | 11151 | PHOTO PROC-OPS | 43.85 | |
| 21122 | 03/02/07 | 1,194.79 | 002069 | A TOOL SHED, INC. | | 11065 | 1/24-1/25 RENTAL | 825.79 | |
| | | | | | | 11066 | 1/2-1/3 RENTAL | 369.00 | |
| 21123 | 03/02/07 | 23.05 | 002447 | SETON IDENTIFICATION PRODUCTS | | 11067 | PLATE/PLAQUE/HRD | 23.05 | |
| 21124 | 03/02/07 | 355.11 | 002504 | TIFCO INDUSTRIES | | 11152 | PARTS & SUPPLIES | 355.11 | |
| 21125 | 03/02/07 | 128.00 | 002567 | DEPARTMENT OF JUSTICE | | 11068 | JAN FINGERPRINTS | 128.00 | |
| 21126 | 03/02/07 | 2,115.87 | 002624 | DIGITAL RECORDERS | | 11153 | REV VEH PARTS | 2,115.87 | |
| 21127 | 03/02/07 | 767.52 | 002713 | SANTA CRUZ AUTO TECH, INC. | | 11069 | OUT REP REV VEH/PT | 767.52 | |
| 21128 | 03/02/07 | 1,456.96 | 002802 | BATTERY SYSTEMS | | 11154 | REV VEH PARTS | 1,456.96 | |
| 21129 | 03/02/07 | 1,885.55 | 002805 | TELEPATH CORPORATION | | 11155 | OUT RPR EQUIP | 1,885.55 | |
| 21130 | 03/02/07 | 1,142.62 | 002814 | CREATIVE BUS SALES, INC. | | 11070 | REV VEH PARTS/PT | 1,142.62 | |
| 21131 | 03/02/07 | 1,761.82 | 002817 | WATSONVILLE BLUEPRINT | | 11071 | MB PLANS/ADM | 1,761.82 | |
| 21132 | 03/02/07 | 29,558.80 | 002829 | VALLEY POWER SYSTEMS, INC. | | 11156 | OUT RPR REV VEH | 3,765.58 | |

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
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 ALL CHECKS FOR COAST COMMERCIAL BANK

DATE: 03/01/07 THRU 03/31/07

| CHECK NUMBER | CHECK DATE | CHECK AMOUNT | VENDOR | VENDOR NAME | VENDOR TYPE | TRANS. NUMBER | TRANSACTION DESCRIPTION | TRANSACTION AMOUNT | COMMENT |
|--------------|------------|--------------|--------|--------------------------------|-------------|---------------|-------------------------|--------------------|---------|
| | | | | | | 11157 | OUT RPR REV VEH | 4,961.93 | |
| | | | | | | 11158 | REV VEH PARTS | 4,019.14 | |
| | | | | | | 11159 | REV VEH PARTS | 50.75 | |
| | | | | | | 11160 | OUT RPR REV VEH | 3,308.98 | |
| | | | | | | 11161 | OUT RPR REV VEH | 3,308.98 | |
| | | | | | | 11162 | OUT RPR REV VEH | 3,308.98 | |
| | | | | | | 11163 | OUT RPR REV VEH | 3,525.48 | |
| | | | | | | 11164 | OUT RPR REV VEH | 3,308.98 | |
| 21133 | 03/02/07 | 9,181.25 | 002851 | MISSETT, JAMES R. M.D. | | 11072 | PROF SVCS 6/05-1/07 | 9,181.25 | |
| 21134 | 03/02/07 | 436.28 | 002870 | COLE SUPPLY COMPANY, INC. | | 11073 | SEAT COVERS/FAC | 436.28 | |
| 21135 | 03/02/07 | 526.93 | 002877 | CREST TALMADGE SALES INC. | | 11165 | CLEANING SUPPLIES | 243.56 | |
| | | | | | | 11166 | CLEANING SUPPLIES | 283.37 | |
| 21136 | 03/02/07 | 4,561.20 | 002883 | UNISTORAGE | | 11074 | PALM TX HANDHELD | 3,459.11 | |
| | | | | | | 11167 | OFFICE SUP/PROJECTOR | 722.13 | |
| 21137 | 03/02/07 | 498.25 | 002898 | CEB | | 11168 | OFFICE SUPPLIES | 379.96 | |
| 21138 | 03/02/07 | 154.34 | 002906 | CALIFORNIA SITE SERVICES | | 11075 | CA TORT GUIDE 06 | 498.25 | |
| 21139 | 03/02/07 | 26,793.09 | 009 | PACIFIC GAS & ELECTRIC | | 11076 | FENCE RENTAL/MB | 154.34 | |
| | 03/14/07 | -26,793.09 | | | | | | | VOIDED |
| | | | | | | 11077 | 1/14-2/13 RESEARCH | 0.00 | |
| | | | | | | 11078 | 12/13-2/8 KINGS VLG | 0.00 | |
| | | | | | | 11188 | AGREEMENT/MB | 0.00 | |
| 21140 | 03/02/07 | 72.73 | 013 | MCI SERVICE PARTS, INC. | | 11169 | REV VEH PARTS | 72.73 | |
| 21141 | 03/02/07 | 313.31 | 020 | ADT SECURITY SERVICES INC. | | 11079 | MAR ALARMS | 313.31 | |
| 21142 | 03/02/07 | 86.55 | 061A | REGISTER PAJARONIAN | | 11170 | CLASS ADV-FLT | 86.55 | |
| 21143 | 03/02/07 | 305.52 | 079 | SANTA CRUZ MUNICIPAL UTILITIES | | 11080 | 12/6-2/6 RESEARCH | 305.52 | |
| 21144 | 03/02/07 | 74.04 | 105 | SHIELDS, HARPER & CO., INC. | | 11171 | OFFICE SUPPLIES | 74.04 | |
| 21145 | 03/02/07 | 1,088.49 | 117 | GILLIG CORPORATION | | 11172 | REV VEH PARTS | 1,088.49 | |
| 21146 | 03/02/07 | 168.78 | 122 | SCMTD PETTY CASH - OPS | | 11173 | PETTY CASH-OPS | 168.78 | |
| 21147 | 03/02/07 | 51.25 | 130 | CITY OF WATSONVILLE UTILITIES | | 11081 | FINAL CHARGES/SAKATA | 41.24 | |
| | | | | | | 11082 | 1/1-2/1 RODRIGUEZ | 10.01 | |
| 21148 | 03/02/07 | 361.07 | 147 | ZEE MEDICAL SERVICE CO. | | 11083 | SAFETY SUPPLIES | 361.07 | |
| 21149 | 03/02/07 | 370.27 | 148 | ZEP MANUFACTURING COMPANY | | 11084 | CLEANING SUPPLIES | 370.27 | |
| 21150 | 03/02/07 | 1,071.20 | 157 | DELL MARKETING L.P. | | 11085 | OFFICE SUPPLY/EQUIP | 301.20 | |
| | | | | | | 11086 | ON-SITE SVC/ SERVER | 770.00 | |
| 21151 | 03/02/07 | 553.70 | 163 | COMMUNITY PRINTERS, INC. | | 11087 | PARACRUZ LABOR AGMNT | 553.70 | |
| 21152 | 03/02/07 | 1,494.30 | 166 | HOSE SHOP, THE | | 11088 | REPAIRS/MAINTENANCE | 27.86 | |
| | | | | | | 11174 | PARTS & SUPP-FLT | 268.91 | |
| | | | | | | 11175 | REV VEH PTS/SUPP-FLT | 1,197.53 | |
| 21153 | 03/02/07 | 99.84 | 215 | IKON OFFICE SOLUTIONS | | 11098 | COPIER MAINT/ADM | 99.84 | |
| 21154 | 03/02/07 | 779.40 | 215A | IKON FINANCIAL SERVICES | | 11176 | LEASE 2/28-5/27 OPS | 779.40 | |
| 21155 | 03/02/07 | 977.80 | 225 | MISSION PRINTERS | | 11089 | PRINT BUS PASSES | 977.80 | |
| 21156 | 03/02/07 | 753.79 | 282 | GRAINGER | 7 | 11090 | REPAIRS/MAINTENANCE | 211.91 | |
| | | | | | | 11177 | PARTS & SUPPLIES | 541.88 | |
| 21157 | 03/02/07 | 184.00 | 367 | COMMUNITY TELEVISION OF | | 11091 | TV COVERAGE 1/26 | 184.00 | |
| 21158 | 03/02/07 | 570.26 | 372 | FEDERAL EXPRESS | | 11178 | JAN MAIL-FLT | 44.24 | |
| | | | | | | 11179 | JAN MAIL-ADMIN | 526.02 | |
| 21159 | 03/02/07 | 1,984.53 | 382 | AIRTEC SERVICE | | 11092 | REP/MAINT HVAC UNITS | 1,984.53 | |
| 21160 | 03/02/07 | 60.78 | 434 | VERIZON WIRELESS | | 11093 | WIRELESS PC CARD | 60.78 | |
| 21161 | 03/02/07 | 53.22 | 434B | VERIZON CALIFORNIA | | 11180 | MT.BIEWLASKI | 53.22 | |
| 21162 | 03/02/07 | 223.53 | 436 | WEST PAYMENT CENTER | | 11094 | JAN ACCESS CHGS | 176.98 | |

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
 CHECK JOURNAL DETAIL BY CHECK NUMBER
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|----------------|------------|--------------|--------|--------------------------------|-------------|---------------|-------------------------|--------------------|---------|
| | | | | | | 11095 | CA CODE 2007 | 46.55 | |
| 21163 | 03/02/07 | 150.00 | 458 | AZZIE'S STORAGE | 7 | 11096 | MOVE 4 CONTAINERS | 150.00 | |
| 21164 | 03/02/07 | 953.50 | 481 | PIED PIPER EXTERMINATORS, INC. | | 11099 | DEC-FEB PEST CONTROL | 953.50 | |
| 21165 | 03/02/07 | 388,386.73 | 502 | CA PUBLIC EMPLOYEES' | | 11097 | MAR MEDICAL INS | 388,386.73 | |
| 21166 | 03/02/07 | 1,496.09 | 504 | CUMMINS WEST, INC. | | 11181 | REV VEH PARTS | 1,496.09 | |
| 21167 | 03/02/07 | 89.75 | 510A | HASLER, INC. | | 11100 | 3/1-3/31 RENTL/ADM | 48.71 | |
| | | | | | | 11101 | 3/1-3/31 RENTAL/PT | 41.04 | |
| 21168 | 03/02/07 | 614.35 | 511 | LUMINATOR | | 11182 | OUT RPR REV VEH | 171.00 | |
| | | | | | | 11183 | REV VEH PARTS | 71.99 | |
| | | | | | | 11184 | REV VEH PARTS | 371.36 | |
| 21169 | 03/02/07 | 1,075.35 | 733 | CLAREMONT BEHAVIORAL SERVICES | | 11102 | MAR EAP PREMIUM | 1,075.35 | |
| 21170 | 03/02/07 | 650.00 | 764 | MERCURY METALS | | 11103 | REPAIR RAMP/PT | 650.00 | |
| 21171 | 03/02/07 | 1,601.50 | 852 | LAW OFFICES OF MARIE F. SANG | 7 | 11104 | WORKERS COMP CLAIMS | 1,601.50 | |
| 21172 | 03/02/07 | 289.80 | 872 | YALE-PACIFIC, INC. | | 11185 | OUT RPR EQUIP | 289.80 | |
| 21173 | 03/02/07 | 2,600.01 | 876 | ATCHISON, BARISONE, CONDOTTI & | | 11105 | LEGAL SVC/VERNON | 2,600.01 | |
| 21174 | 03/02/07 | 30.00 | 880 | SEISINT, INC. | | 11106 | PROF/TECH SVC/RISK | 30.00 | |
| 21175 | 03/02/07 | 169.96 | 887 | NEOPOST, INC | | 11107 | OFFICE SUPPLIES/ADM | 169.96 | |
| 21176 | 03/02/07 | 12,809.29 | 909 | CLASSIC GRAPHICS | | 11108 | OUT REPAIR/REV VEH | 2,916.77 | |
| | | | | | | 11186 | OUT RPR REV VEH | 9,892.52 | |
| 21177 | 03/02/07 | 228.00 | 915 | WORKIN.COM, INC. | | 11109 | 2/12-3/11 JOB POST | 228.00 | |
| 21178 | 03/02/07 | 10.83 | 946 | ACME AND SONS | | 11187 | FENCE RENT-DUBOIS | 10.83 | |
| 21179 | 03/02/07 | 1,116,518.40 | 948 | ARNTZ BUILDERS, INC. | | 11110 | CONST SVC MB TO 1/31 | 1,116,518.40 | |
| 21180 | 03/02/07 | 124,057.60 | 948A | WESTAMERICA BANK TRUST DEPT | | 11111 | JAN RETAINAGE | 124,057.60 | |
| 21181 | 03/02/07 | 313.28 | 959 | FIRST ADVANTAGE CORPORATION | | 11112 | 8/20-1/31 DRUG TESTS | 313.28 | |
| 21182 | 03/02/07 | 12,420.19 | 977 | SANTA CRUZ TRANSPORTATION, LLC | | 11113 | JAN 07 PT SVCS | 12,420.19 | |
| 21183 | 03/02/07 | 225.00 | 989 | STUCKER, NANCY K. | 7 | 11114 | PROF SVCS/BILINGUAL | 225.00 | |
| 21184 | 03/02/07 | 100.00 | B003 | BEAUTZ, JAN | 7 | 11118 | FEB BOARD MTGS | 100.00 | |
| 21185 | 03/02/07 | 100.00 | B006 | HINKLE, MICHELLE | 7 | 11121 | FEB BOARD MTGS | 100.00 | |
| 21186 | 03/02/07 | 100.00 | B011 | REILLY, EMILY | 7 | 11123 | FEB BOARD MTGS | 100.00 | |
| 21187 | 03/02/07 | 100.00 | B012 | SPENCE, PAT | 7 | 11125 | FEB BOARD MTGS | 100.00 | |
| 21188 | 03/02/07 | 100.00 | B014 | CITY OF WATSONVILLE | | 11127 | FEB BOARD MTGS | 100.00 | |
| 21189 | 03/02/07 | 260.00 | B015 | ROTKIN, MIKE | 7 | 11116 | APTA LEGISLATIVE CNF | 160.00 | |
| | | | | | | 11124 | FEB BOARD MTGS | 100.00 | |
| 21190 | 03/02/07 | 100.00 | B017 | STONE, MARK | 7 | 11126 | FEB BOARD MTGS | 100.00 | |
| 21191 | 03/02/07 | 300.00 | B018 | BUSTICHI, DENE | 7 | 11117 | APTA LEGISLATIVE CNF | 200.00 | |
| | | | | | | 11119 | FEB BOARD MTGS | 100.00 | |
| 21192 | 03/02/07 | 100.00 | B020 | NICOL, KIRBY | 7 | 11122 | FEB BOARD MTGS | 100.00 | |
| 21193 | 03/02/07 | 50.00 | B021 | HAGEN, DONALD N. | | 11120 | FEB BOARD MTGS | 50.00 | |
| 21194 | 03/02/07 | 25.90 | E373 | DORFMAN, MARK | | 11115 | INTERNET ACCESS | 25.90 | |
| 21195 | 03/02/07 | 48.00 | E493 | EDWARDS, BEVERLY | | 11189 | DMV FEES | 48.00 | |
| 21196M03/02/07 | | 23,576.91 | 009A | PACIFIC GAS & ELECTRIC | | 11334 | AGREEMENT/MB | 23,576.91 | MANUAL |
| | | | | | | | | | |
| 21197M03/02/07 | | 3,216.18 | 009 | PACIFIC GAS & ELECTRIC | | 11332 | 12/13-2/8 KINGS VLG | 1,966.77 | MANUAL |
| | | | | | | 11333 | 1/14-2/13 RESEARCH | 1,249.41 | |
| 21198 | 03/16/07 | 105.83 | 001042 | 12/13-2/8 KINGS VLG | | 11190 | 1/29 FIRST AID | 105.83 | |
| 21199 | 03/16/07 | 10,791.48 | 001043 | EMPLOYER'S HEALTH SVCS, LLC | 7 | 11191 | MARCH VISION INS | 10,791.48 | |
| 21200 | 03/16/07 | 6,755.86 | 001063 | VISION SERVICE PLAN | | 11281 | REV VEH PARTS 248 | 248.44 | |
| | | | | NEW FLYER INDUSTRIES LIMITED | | 11282 | REV VEH PARTS 1914 | 1,914.12 | |
| | | | | | | 11283 | REV VEH PARTS 132 | 132.10 | |

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
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|--------------|------------|--------------|--------|--------------------------------|-------------|---------------|-------------------------|--------------------|---------|
| | | | | | | 11284 | REV VEH PARTS 71 | 71.10 | |
| | | | | | | 11285 | REV VEH PARTS 711 | 710.82 | |
| | | | | | | 11286 | REV VEH PARTS 575 | 575.13 | |
| | | | | | | 11287 | REV VEH PARTS 2590 | 2,590.50 | |
| | | | | | | 11288 | REV VEH PARTS 500 | 500.07 | |
| | | | | | | 11289 | REV VEH PARTS 14 | 13.58 | |
| 21201 | 03/16/07 | 11,464.36 | 001075 | SOQUEL III ASSOCIATES | 7 | 9000913 | RESEARCH PARK RENT | 11,464.36 | |
| 21202 | 03/16/07 | 8,204.79 | 001076 | BROUGHTON LAND, LLC | | 11330 | RENT INCREASE 02/03 | 409.86 | |
| | | | | | | 9000914 | 110 VERNON ST RENT | 7,794.93 | |
| 21203 | 03/16/07 | 245.00 | 001093 | KROLL LABORATORY SPECIALISTS | | 11192 | JAN/FEB DRUG TESTING | 245.00 | |
| 21204 | 03/16/07 | 1,407.00 | 001119 | MACERICH PARTNERSHIP LP | 7 | 9000915 | CAPITOLA MALL RENT | 1,407.00 | |
| 21205 | 03/16/07 | 390.08 | 001315 | WASTE MANAGEMENT | | 11193 | FEB HERMON/KINGS | 57.60 | |
| | | | | | | 11194 | FEB RESEARCH PARK | 170.56 | |
| | | | | | | 11195 | FEB KINGS VILLAGE | 161.92 | |
| 21206 | 03/16/07 | 77,691.61 | 001316 | DEVCO OIL | | 11290 | 2/28-3/12 FUEL FLT | 77,691.61 | |
| 21207 | 03/16/07 | 1,432.59 | 001346 | CITY OF SANTA CRUZ | | 11196 | STRM FLD/WATER | 1,432.59 | |
| 21208 | 03/16/07 | 204.69 | 001454 | MONTEREY BAY OFFICE PRODUCTS | | 11197 | 12/06-2/07 COPIER/AD | 204.69 | |
| 21209 | 03/16/07 | 10,357.54 | 001648 | STEVE'S UNION SERVICE | | 11199 | FEB FUEL/PT | 10,357.54 | |
| 21210 | 03/16/07 | 225.00 | 001856 | BAY COMMUNICATIONS | 7 | 11200 | OUT REPAIR PHONES | 225.00 | |
| 21211 | 03/16/07 | 3,908.00 | 001A | AT&T/MCI | | 11201 | FEB PHONES/IT | 1,484.49 | |
| | | | | | | 11202 | FEB PHONES/PT | 52.07 | |
| | | | | | | 11203 | FEB PHONES | 1,874.63 | |
| | | | | | | 11204 | FEB PHONES/PT | 496.81 | |
| 21212 | 03/16/07 | 35.93 | 002063 | COSTCO | | 11291 | PHOTO PROC-OPS | 13.19 | |
| | | | | | | 11292 | PHOTO PROC-OPS | 22.74 | |
| 21213 | 03/16/07 | 60.21 | 002094 | RICON CORPORATION | | 11293 | REV VEH PARTS | 60.21 | |
| 21214 | 03/16/07 | 26,500.00 | 002116 | HINSHAW, EDWARD & BARBARA | 7 | 9000916 | 370 ENCINAL RENT | 26,500.00 | |
| 21215 | 03/16/07 | 17,015.54 | 002117 | IULIANO | 7 | 11294 | 115 DUBOIS | 374.38 | |
| | | | | | | 11295 | 111 DUBOIS | 2,426.52 | |
| | | | | | | 9000917 | 111 DUBOIS RENT | 11,214.64 | |
| | | | | | | 9000918 | 115 DUBOIS RENT | 3,000.00 | |
| 21216 | 03/16/07 | 589.66 | 002161 | APPLIED INDUSTRIAL TECH | | 11205 | REPAIRS/MAINTENANCE | 589.66 | |
| 21217 | 03/16/07 | 462.42 | 002189 | BUS & EQUIPMENT | | 11206 | REV VEH PARTS/PT | 462.42 | |
| 21218 | 03/16/07 | 2,500.00 | 002267 | SHAW & YODER, INC. | | 11207 | JAN LEGISLATIVE SVC | 2,500.00 | |
| 21219 | 03/16/07 | 1,650.00 | 002287 | CALIFORNIA SERVICE EMPLOYEES | | 11208 | MARCH MEDICAL | 1,650.00 | |
| 21220 | 03/16/07 | 5,000.00 | 002346 | CHANEY, CAROLYN & ASSOC., INC. | | 11209 | MAR LEGISLATIVE SVC | 5,000.00 | |
| 21221 | 03/16/07 | 24.81 | 002447 | SETON IDENTIFICATION PRODUCTS | | 11210 | NAME PLATE/FIN 10 | 24.81 | |
| 21222 | 03/16/07 | 120.66 | 002459 | SCOTTS VALLEY WATER DISTRICT | | 11211 | 12/7-2/6 KINGS VLG | 120.66 | |
| 21223 | 03/16/07 | 740.28 | 002504 | TIFCO INDUSTRIES | | 11296 | PARTS & SUPPLIES | 740.28 | |
| 21224 | 03/16/07 | 20,003.61 | 002569 | COMERICA BANK | | 11212 | WORK COMP FUND | 20,003.61 | |
| 21225 | 03/16/07 | 3,578.06 | 002624 | DIGITAL RECORDERS | | 11297 | REV VEH PARTS | 785.20 | |
| | | | | | | 11298 | REV VEH PARTS | 2,792.86 | |
| 21226 | 03/16/07 | 1,644.88 | 002721 | NEXTEL COMMUNICATIONS | | 11213 | 2/4-3/3 PHONES/PT | 1,644.88 | |
| 21227 | 03/16/07 | 2,436.66 | 002805 | TELEPATH CORPORATION | | 11299 | MAR MAINT/RPRS | 2,436.66 | |
| 21228 | 03/16/07 | 627.00 | 002847 | STATE OF CA-EDD | | 11214 | PARADISE LEVY | 627.00 | |
| 21229 | 03/16/07 | 150.71 | 002861 | AMERICAN MESSAGING SVCS, LLC | | 11215 | MARCH PAGERS/FAC | 118.91 | |
| | | | | | | 11300 | MAR PAGER/FLT | 31.80 | |
| 21230 | 03/16/07 | 10.81 | 002883 | UNISTORAGE | | 11216 | OFFICE SUPPLIES/IT | 10.81 | |
| 21231 | 03/16/07 | 3,075.00 | 002900 | FENN, MARILYN | | 11217 | PROF SVC 2/7-2/16 | 3,075.00 | |
| 21232 | 03/16/07 | 1,577.99 | 002905 | HELM, INC. | | 11301 | OFFICE SUPPLIES | 1,577.99 | |

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
 CHECK JOURNAL DETAIL BY CHECK NUMBER
 ALL CHECKS FOR COAST COMMERCIAL BANK

DATE: 03/01/07 THRU 03/31/07

| CHECK NUMBER | CHECK DATE | CHECK AMOUNT | VENDOR | VENDOR NAME | VENDOR TYPE | TRANS. NUMBER | TRANSACTION DESCRIPTION | TRANSACTION AMOUNT | COMMENT |
|--------------|------------|--------------|--------|--------------------------------|-------------|---------------|-------------------------|--------------------|---------|
| 21233 | 03/16/07 | 207.74 | 002908 | MAP BOOKS 2 U | | 11218 | LOCAL FOLDED MAP/PT | 207.74 | |
| 21234 | 03/16/07 | 150.15 | 007 | UNITED PARCEL SERVICE | | 11302 | FEB FRT OUT/FLT | 150.15 | |
| 21235 | 03/16/07 | 23,858.13 | 009 | PACIFIC GAS & ELECTRIC | | 11219 | 2/2-3/5 920 PACIFIC | 2,017.79 | |
| | | | | | | 11220 | 1/31-3/1 115 DUBOIS | 36.97 | |
| | | | | | | 11221 | 1/31-3/1 115 DUBOIS | 12.65 | |
| | | | | | | 11222 | 1/31-3/1 115 DUBOIS | 170.63 | |
| | | | | | | 11223 | 1/30-3/1 1200 RIVER | 1,913.30 | |
| | | | | | | 11224 | 1/31-3/01 ENCINAL | 2,954.58 | |
| | | | | | | 11225 | 1/30-3/1 FLEET | 7,157.00 | |
| | | | | | | 11226 | 1/30-3/01 110 VERNON | 187.13 | |
| | | | | | | 11303 | FEB CNG/FLT | 9,408.08 | |
| 21236 | 03/16/07 | 281.20 | 036 | KELLY-MOORE PAINT CO., INC. | | 11227 | REPAIRS/MAINTENANCE | 281.20 | |
| 21237 | 03/16/07 | 343.88 | 039 | KINKO'S INC. | | 11228 | 12/8 PRINTING/METRO | 340.99 | |
| | | | | | | 11229 | 1/12 PRINTING/RISK | 2.89 | |
| 21238 | 03/16/07 | 3,489.11 | 041 | MISSION UNIFORM | | 11230 | FEB UNIF/LAUNDRY/PT | 97.18 | |
| | | | | | | 11231 | FEB UNIF/LAUNDRY/FAC | 541.78 | |
| | | | | | | 11304 | FEB UNIF/LAUNDRY FLT | 2,850.15 | |
| 21239 | 03/16/07 | 2,753.18 | 043 | PALACE ART & OFFICE SUPPLY | | 11232 | OFFICE SUPPLIES | 2,753.18 | |
| 21240 | 03/16/07 | 146.14 | 050 | PITNEY BOWES INC. | | 11233 | 4/1-6/30 RENTAL/MTC | 146.14 | |
| 21241 | 03/16/07 | 186.75 | 061A | REGISTER PAJARONIAN | | 11305 | CLASS ADV-FLT | 186.75 | |
| 21242 | 03/16/07 | 59.81 | 074 | KENVILLE LOCKSMITHS | 7 | 11234 | FEB LOCKS/KEYS | 59.81 | |
| 21243 | 03/16/07 | 38.97 | 075 | COAST PAPER & SUPPLY INC. | | 11235 | CLEANING SUPPLIES | 38.97 | |
| 21244 | 03/16/07 | 6,866.88 | 079 | SANTA CRUZ MUNICIPAL UTILITIES | | 11236 | 1/31-2/28 PACIFIC | 85.41 | |
| | | | | | | 11237 | 1/31-2/28 PACIFIC | 2,396.19 | |
| | | | | | | 11238 | 1/27-2/27 111 DUBOIS | 347.41 | |
| | | | | | | 11239 | 1/26-2/27 111 DUBOIS | 126.74 | |
| | | | | | | 11240 | 1/27-2/27 ENCINAL | 774.46 | |
| | | | | | | 11241 | 1/27-2/27 1200 RIVER | 2,089.61 | |
| | | | | | | 11242 | 1/27-2/27 1122 RIVER | 41.45 | |
| | | | | | | 11243 | 1/27-2/27 GOLF CLUB | 886.79 | |
| | | | | | | 11244 | 1/27-2/27 ENCINAL | 118.82 | |
| 21245 | 03/16/07 | 1,233.52 | 085 | DIXON & SON TIRE, INC. | | 11245 | FEB OUT RPR/TIRES/PT | 1,233.52 | |
| 21246 | 03/16/07 | 481.40 | 107A | LUMBERMENS | | 11246 | REPAIRS/MAINTENANCE | 146.80 | |
| | | | | | | 11306 | CLEANING/PARTS & SUP | 334.60 | |
| 21247 | 03/16/07 | 2,617.84 | 110 | JESSICA GROCERY STORE, INC. | | 9000919 | CUSTODIAL SERVICES | 2,617.84 | |
| 21248 | 03/16/07 | 138.25 | 117 | GILLIG CORPORATION | | 11307 | REV VEH PARTS | 138.25 | |
| 21249 | 03/16/07 | 10.01 | 130 | CITY OF WATSONVILLE UTILITIES | | 11247 | 2/1-3/1 RODRIGUEZ | 10.01 | |
| 21250 | 03/16/07 | 979.20 | 135 | SANTA CRUZ AUTO PARTS, INC. | | 11248 | REV VEH PARTS/SUPPLY | 572.88 | |
| | | | | | | 11308 | REV VEH PTS/SUPP | 406.32 | |
| 21251 | 03/16/07 | 75.34 | 147 | ZEE MEDICAL SERVICE CO. | | 11249 | SAFETY SUPPLIES | 75.34 | |
| 21252 | 03/16/07 | 2,920.38 | 148 | ZEP MANUFACTURING COMPANY | | 11309 | CLEANING SUPPLIES | 1,484.50 | |
| | | | | | | 11310 | REV VEH PARTS | 1,435.88 | |
| 21253 | 03/16/07 | 2,231.73 | 167 | KEYSTON BROTHERS | | 11311 | OTH MOBILE SUPP | 2,231.73 | |
| 21254 | 03/16/07 | 5,508.50 | 221 | VEHICLE MAINTENANCE PROGRAM | | 11312 | REV VEH PARTS 1620 | 1,620.70 | |
| | | | | | | 11313 | REV VEH PARTS 3888 | 3,887.80 | |
| 21255 | 03/16/07 | 1,049.69 | 260 | SANTA CRUZ GLASS CO., INC. | | 11250 | OUT RPR/BUILDINGS | 1,049.69 | |
| 21256 | 03/16/07 | 4,251.52 | 282 | GRAINGER | | 11314 | PARTS & SUPPLIES | 64.43 | |
| | | | | | | 11315 | PARTS/SAFETY SUPP | 4,187.09 | |
| 21257 | 03/16/07 | 196.77 | 294 | ANDY'S AUTO SUPPLY | | 11316 | REV VEH PTS/SUPP | 196.77 | |
| 21258 | 03/16/07 | 3,009.71 | 382 | AIRTEC SERVICE | | 11251 | REPAIRS/MAINTENANCE | 1,001.71 | |

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
 CHECK JOURNAL DETAIL BY CHECK NUMBER
 ALL CHECKS FOR COAST COMMERCIAL BANK

DATE: 03/01/07 THRU 03/31/07

| CHECK NUMBER | CHECK DATE | CHECK AMOUNT | VENDOR | VENDOR NAME | VENDOR TYPE | TRANS. NUMBER | TRANSACTION DESCRIPTION | TRANSACTION AMOUNT | COMMENT |
|--------------|------------|--------------|--------|--------------------------------|-------------|---------------|-------------------------|--------------------|---------|
| 21259 | 03/16/07 | 124.87 | 395 | APPLIED GRAPHICS, INC. | | 11252 | HVAC REPAIRS/FAC | 2,008.00 | |
| 21260 | 03/16/07 | 1,041.60 | 432 | EXPRESS PERSONNEL SERVICES | | 11317 | FUEL CARDS/FLT | 124.87 | |
| | | | | | | 11318 | TEMP W/E 2/18/07-FLT | 520.80 | |
| | | | | | | 11319 | TEMP W/E 2/11-FLT | 520.80 | |
| 21261 | 03/16/07 | 3,685.37 | 480 | DIESEL MARINE ELECTRIC, INC. | | 11320 | REV VEH PARTS | 1,201.03 | |
| | | | | | | 11321 | REV VEH PARTS | 2,484.34 | |
| 21262 | 03/16/07 | 39.97 | 494 | PC MAGAZINE | | 11253 | MAG SUBSCRIPTION | 39.97 | |
| 21263 | 03/16/07 | 405.94 | 504 | CUMMINS WEST, INC. | | 11322 | OUT RPR REV VEH | 405.94 | |
| 21264 | 03/16/07 | 89.75 | 510A | HASLER, INC. | | 11254 | 4/1-4/30 RENTAL/ADM | 48.71 | |
| | | | | | | 11255 | 4/1-4/30 RENTAL/PT | 41.04 | |
| 21265 | 03/16/07 | 337.58 | 511 | LUMINATOR | | 11323 | OUT RPR REV VEH | 337.58 | |
| 21266 | 03/16/07 | 270.00 | 615 | CALPELRA | | 11256 | 2007 MEMBERSHIP DUES | 270.00 | |
| 21267 | 03/16/07 | 2,192.04 | 647 | GFI GENFARE | | 11324 | REV VEH PARTS | 2,192.04 | |
| 21268 | 03/16/07 | 70.00 | 682 | WEISS, AMY L. | 7 | 11257 | FEB INTERPRETER | 70.00 | |
| 21269 | 03/16/07 | 600.00 | 728 | TRITON CONSTRUCTION | | 11258 | TEST/CERT/ TANK SYS. | 600.00 | |
| 21270 | 03/16/07 | 650.00 | 764 | MERCURY METALS | | 11259 | OUT RPR REV VEH/PT | 650.00 | |
| 21271 | 03/16/07 | 37,548.25 | 800 | DELTA DENTAL PLAN | | 11260 | MARCH DENTAL | 37,548.25 | |
| 21272 | 03/16/07 | 35.59 | 848 | SANTA CRUZ ELECTRONICS, INC. | | 11261 | COMPUTER SUPPLIES/IT | 35.59 | |
| 21273 | 03/16/07 | 19,808.48 | 851 | I.M.P.A.C. GOVERNMENT SERVICES | | 11262 | 4055019201230222 | 19,808.48 | |
| 21274 | 03/16/07 | 224.00 | 852 | LAW OFFICES OF MARIE F. SANG | 7 | 11263 | WORKERS COMP CLAIMS | 224.00 | |
| 21275 | 03/16/07 | 2,420.00 | 878 | KELLY SERVICES, INC. | | 11264 | TEMP/FIN W/E 2/18 | 1,472.00 | |
| | | | | | | 11265 | TEMP/FIN W/E 2/11 | 948.00 | |
| 21276 | 03/16/07 | 30.00 | 880 | SEISINT, INC. | | 11266 | PROF TECH SVC/RISK | 30.00 | |
| 21277 | 03/16/07 | 519.60 | 882 | PRINT SHOP SANTA CRUZ | | 11267 | PRINTING/HRD | 86.60 | |
| | | | | | | 11268 | PRINTING/FINANCE | 86.60 | |
| | | | | | | 11325 | PRINTING-OPS | 346.40 | |
| 21278 | 03/16/07 | 525.00 | 916 | DOCTORS ON DUTY | | 11269 | 1/22-2/21 DRUG TESTS | 525.00 | |
| 21279 | 03/16/07 | 16,036.86 | 941 | ASSURANT EMPLOYEE BENEFITS | | 11270 | MAR LTD INS | 16,036.86 | |
| 21280 | 03/16/07 | 225.00 | 957 | SECURITY SHORING & STEEL PLT | | 11271 | STEEL PLATE RENTAL | 225.00 | |
| 21281 | 03/16/07 | 2,000.00 | 964 | GARY IFLAND & ASSOCIATES | | 11198 | CALCULATIONS/MB | 2,000.00 | |
| 21282 | 03/16/07 | 100.00 | B016 | SKILLICORN, DALE | 7 | 11280 | MARCH BOARD MTGS | 100.00 | |
| 21283 | 03/16/07 | 50.00 | B021 | HAGEN, DONALD N. | | 11279 | FEB BOARD MTG | 50.00 | |
| 21284 | 03/16/07 | 120.00 | E002 | STICKEL, TOM | | 11272 | SOCAL L/CNG FAC TOUR | 120.00 | |
| 21285 | 03/16/07 | 120.00 | E088 | O'DONNELL, SHAWN | | 11273 | SOCAL L/CNG FAC TOUR | 120.00 | |
| 21286 | 03/16/07 | 25.03 | E120 | RUIZ, SERAFIN | | 11274 | SETTLEMENT/RISK | 25.03 | |
| 21287 | 03/16/07 | 120.00 | E173 | RHODES, BRUCE | | 11275 | SOCAL L/CNG FAC TOUR | 120.00 | |
| 21288 | 03/16/07 | 120.00 | E276 | BAIOCCHI, JIM | | | | | VOIDED |
| | 03/28/07 | -120.00 | | | | 11276 | SOCAL L/CNG FAC TOUR | 0.00 | |
| 21289 | 03/16/07 | 43.88 | E373 | DORFMAN, MARK | | 11277 | TRAVEL/PARKING EXP | 43.88 | |
| 21290 | 03/16/07 | 48.00 | E423 | MILLER, MICHAEL | | 11327 | DMV FEES | 48.00 | |
| 21291 | 03/16/07 | 44.00 | E479 | LEWIS, PETER | | 11326 | DMV FEES | 44.00 | |
| 21292 | 03/16/07 | 120.00 | E483 | VALDEZ, DAVID | | 11278 | SOCAL L/CNG FAC TOUR | 120.00 | |
| 21293 | 03/16/07 | 309.51 | M003 | WYANT, JUDI | Y | 9000920 | MED PYMT SUPP | 309.51 | |
| 21294 | 03/16/07 | 315.76 | M005 | ROSS, EMERY | 7 | 9000921 | MED PYMT SUPP | 315.76 | |
| 21295 | 03/16/07 | 363.97 | M007 | BLAIR-ALWARD, GREGORY | 7 | 9000922 | MED PYMT SUPP | 363.97 | |
| 21296 | 03/16/07 | 363.97 | M010 | SHORT, SLOAN | 7 | 9000923 | MED PYMT SUPP | 363.97 | |
| 21297 | 03/16/07 | 241.33 | M016 | HICKLIN, DONALD KENT | 7 | 9000924 | MED PYMT SUPP | 241.33 | |
| 21298 | 03/16/07 | 122.64 | M022 | CAPELLA, KATHLEEN | 7 | 9000925 | MED PYMT SUPP | 122.64 | |
| 21299 | 03/16/07 | 48.42 | M033 | BAILEY, NEIL | 7 | 9000926 | MED PYMT SUPP | 48.42 | |
| 21300 | 03/16/07 | 24.22 | M036 | CERVANTES, GLORIA | 7 | 9000927 | MED PYMT SUPP | 24.22 | |

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
 CHECK JOURNAL DETAIL BY CHECK NUMBER
 ALL CHECKS FOR COAST COMMERCIAL BANK

DATE: 03/01/07 THRU 03/31/07

| CHECK NUMBER | CHECK DATE | CHECK AMOUNT | VENDOR | VENDOR NAME | VENDOR TYPE | TRANS. NUMBER | TRANSACTION DESCRIPTION | TRANSACTION AMOUNT | COMMENT |
|--------------|------------|--------------|--------|------------------------------|-------------|---------------|-------------------------|--------------------|---------|
| 21301 | 03/16/07 | 24.22 | M039 | DAVILA, ANA MARIA | 7 | 9000928 | MED PYMT SUPP | 24.22 | |
| 21302 | 03/16/07 | 24.22 | M040 | GARBEZ, LINDA | 7 | 9000929 | MED PYMT SUPP | 24.22 | |
| 21303 | 03/16/07 | 48.42 | M041 | GOUVEIA, ROBERT | 7 | 9000930 | MED PYMT SUPP | 48.42 | |
| 21304 | 03/16/07 | 24.22 | M050 | O'MARA, KATHLEEN | 7 | 9000931 | MED PYMT SUPP | 24.22 | |
| 21305 | 03/16/07 | 48.42 | M054 | SLOAN, FRANCIS | 7 | 9000932 | MED PYMT SUPP | 48.42 | |
| 21306 | 03/16/07 | 346.62 | M057 | PARHAM, WALLACE | 7 | 9000933 | MED PYMT SUPP | 346.62 | |
| 21307 | 03/16/07 | 346.62 | M058 | POTEETE, BEVERLY | 7 | 9000934 | MED PYMT SUPP | 346.62 | |
| 21308 | 03/16/07 | 377.09 | M061 | KAMEDA, TERRY | 7 | 9000935 | MED PYMT SUPP | 377.09 | |
| 21309 | 03/16/07 | 308.52 | M064 | PETERS, TERRIE | 7 | 9000936 | MED PYMT SUPP | 308.52 | |
| 21310 | 03/16/07 | 50.32 | M068 | BASS, BETTY | 7 | 9000937 | MED PYMT SUPP | 50.32 | |
| 21311 | 03/16/07 | 61.33 | M069 | JACOBS, KENNETH | 7 | 9000938 | MED PYMT SUPP | 61.33 | |
| 21312 | 03/16/07 | 61.33 | M070 | PICARELLA, FRANCIS | 7 | 9000939 | MED PYMT SUPP | 61.33 | |
| 21313 | 03/16/07 | 177.12 | M072 | BRIDINGER, CHRIS | 7 | 9000940 | MED PYMT SUPP | 177.12 | |
| 21314 | 03/16/07 | 29.76 | M073 | CENTER, DOUG | 7 | 11328 | MED PYMT SUPP | 29.76 | |
| 21315 | 03/16/07 | 154.94 | M074 | GABRIELE, BERNARD | 7 | 9000941 | MED PYMT SUPP | 154.94 | |
| 21316 | 03/16/07 | 72.86 | M075 | HOWARD, CAROL | 7 | 9000942 | MED SUPP PYMT | 72.86 | |
| 21317 | 03/16/07 | 177.12 | M076 | VONWAL, YVETTE | 7 | 9000943 | MED PYMT SUPP | 177.12 | |
| 21318 | 03/16/07 | 48.42 | M079 | BROGDON, ROY | 7 | 9000944 | MED PYMT SUPP | 48.42 | |
| 21319 | 03/16/07 | 22.90 | M081 | HALL, JAMES | 7 | 11329 | MED PYMT SUPP | 22.90 | |
| 21320 | 03/16/07 | 24.25 | M082 | HINDIN, LENORE | 7 | 9000945 | MED PYMT SUPP | 24.25 | |
| 21321 | 03/16/07 | 48.42 | M085 | ROSSI, DENISE | 7 | 9000946 | MED PYMT SUPP | 48.42 | |
| 21322 | 03/16/07 | 24.22 | M086 | TOLINE, DONALD | 7 | 9000947 | MED PYMT SUPP | 24.22 | |
| 21323 | 03/16/07 | 24.22 | M088 | YAGI, RANDY | 7 | 9000948 | MED PYMT SUPP | 24.22 | |
| 21324 | 03/16/07 | 32.30 | M090 | CLARKE, PATRICIA | 7 | 9000949 | MED PYMT SUPP | 32.30 | |
| 21325 | 03/16/07 | 61.33 | M092 | CRAWFORD, TERRI | 7 | 9000950 | MED PYMT SUPP | 61.33 | |
| 21326 | 03/16/07 | 61.33 | M095 | DIXON, GEORGE | 7 | 9000951 | MED PYMT SUPP | 61.33 | |
| 21327 | 03/16/07 | 61.33 | M096 | DRAKE, JUDITH | 7 | 9000952 | MED PYMT SUPP | 61.33 | |
| 21328 | 03/16/07 | 61.33 | M098 | FAUCI, SUSAN | 7 | 9000953 | MED PYMT SUPP | 61.33 | |
| 21329 | 03/16/07 | 61.33 | M099 | FIKE, LOUIS | 7 | 9000954 | MED PYMT SUPP | 61.33 | |
| 21330 | 03/16/07 | 48.42 | M100 | GARCIA, SANTIAGO | 7 | 9000955 | MED PYMT SUPP | 48.42 | |
| 21331 | 03/16/07 | 61.33 | M101 | GOES, ALAN | 7 | 9000956 | MED PYMT SUPP | 61.33 | |
| 21332 | 03/16/07 | 32.30 | M103 | JEMISON, MAURICE | 7 | 9000957 | MED PYMT SUPP | 32.30 | |
| 21333 | 03/16/07 | 61.33 | M104 | JUSSEL, PETE | 7 | 9000958 | MED PYMT SUPP | 61.33 | |
| 21334 | 03/16/07 | 32.30 | M105 | KOHAMA, MARY | 7 | 9000959 | MED PYMT SUPP | 32.30 | |
| 21335 | 03/16/07 | 32.30 | M106 | LYALL, JOHN | 7 | 9000960 | MED PYMT SUPP | 32.30 | |
| 21336 | 03/16/07 | 61.33 | M108 | MILLER, FOREST | 7 | 9000961 | MED PYMT SUPP | 61.33 | |
| 21337 | 03/16/07 | 62.96 | M109 | PEREZ, CHERYL | 7 | 9000962 | MED PYMT SUPP | 62.96 | |
| 21338 | 03/16/07 | 32.30 | M111 | SANCHEZ, FELIX | 7 | 9000963 | MED PYMT SUPP | 32.30 | |
| 21339 | 03/16/07 | 61.33 | M112 | SILVA, EDUARDO | 7 | 9000964 | MED PYMT SUPP | 61.33 | |
| 21340 | 03/16/07 | 72.86 | M115 | WILLIAMS, CHRIS | 7 | 9000965 | MED PYMT SUPP | 72.86 | |
| 21341 | 03/16/07 | 72.86 | M116 | CRAMBLETT, LAWRENCE | 7 | 9000966 | MED PYMT SUPP | 72.86 | |
| 21342 | 03/16/07 | 61.33 | M117 | POLANCO, ANDRES | 7 | 9000967 | MED PYMT SUPP | 61.33 | |
| 21343 | 03/16/07 | 460.68 | R480 | FOSSUM, CONSTANCE | 7 | 11404 | SETTLEMENT/RISK | 460.68 | MANUAL |
| 21344 | 03/30/07 | 491.82 | 001 | SETTLEMENT/RISK | | | | | |
| | | | | SBC | | 11335 | MARCH REPEATERS/OPS | 405.59 | |
| | | | | | | 11336 | MARCH REPEATERS/OPS | 86.23 | |
| 21345 | 03/30/07 | 2,618.67 | 001048 | CRUZ CAR WASH | | 11337 | VEH WASH SVS/PT | 2,618.67 | |
| 21346 | 03/30/07 | 7,046.61 | 001063 | NEW FLYER INDUSTRIES LIMITED | | 11408 | REV VEH PTS/SUP 3768 | 3,767.98 | |
| | | | | | | 11409 | REV VEH PTS/SUPP 26 | 25.40 | |
| | | | | | | 11410 | REV VEH PARTS 395 | 395.15 | |

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
 CHECK JOURNAL DETAIL BY CHECK NUMBER
 ALL CHECKS FOR COAST COMMERCIAL BANK

DATE: 03/01/07 THRU 03/31/07

| CHECK NUMBER | CHECK DATE | CHECK AMOUNT | VENDOR | VENDOR NAME | VENDOR TYPE | TRANS. NUMBER | TRANSACTION DESCRIPTION | TRANSACTION AMOUNT | COMMENT |
|--------------|------------|--------------|--------|------------------------------|-------------|---------------|-------------------------|--------------------|---------|
| | | | | | | 11411 | REV VEH PARTS 258 | 257.77 | |
| | | | | | | 11412 | REV VEH PARTS 487 | 487.00 | |
| | | | | | | 11413 | REV VEH PARTS 307 | 306.50 | |
| | | | | | | 11414 | REV VEH PARTS 62 | 61.88 | |
| | | | | | | 11415 | REV VEH PARTS 1365 | 1,365.52 | |
| | | | | | | 11416 | NEW BUS PARTS 164 | 164.21 | |
| | | | | | | 11417 | REV VEH PARTS 215 | 215.20 | |
| 21347 | 03/30/07 | 417.71 | 001263 | ABBOTT STREET RADIATOR, INC. | | 11418 | OUT RPR REV VEH | 417.71 | |
| 21348 | 03/30/07 | 74,286.19 | 001316 | DEVCO OIL | | 11419 | FLT FUEL 3/13-3/26 | 74,286.19 | |
| 21349 | 03/30/07 | 1,373.75 | 001492 | EVERGREEN OIL INC. | | 11338 | HAZ WASTE DISPOSAL | 538.75 | |
| | | | | | | 11339 | HAZ WASTE DISPOSAL | 835.00 | |
| 21350 | 03/30/07 | 396.00 | 001523 | SANTA CRUZ MEDICAL CLINIC | 7 | 11340 | MEDICAL EXAMS/PT | 66.00 | |
| | | | | | | 11420 | MED EXAMS-OPS | 132.00 | |
| | | | | | | 11421 | MED EXAMS-FLT | 198.00 | |
| 21351 | 03/30/07 | 1,735.23 | 001627 | NEW PIG CORPORATION | | 11341 | DRAIN INSERTS 1,640 | 1,735.23 | |
| 21352 | 03/30/07 | 1,199.64 | 001800 | THERMO KING OF SALINAS, INC | | 11422 | REV VEH PARTS | 1,199.64 | |
| 21353 | 03/30/07 | 19,268.00 | 001976 | SPORTWORKS NORTHWEST, INC. | | 11423 | CREDIT MEMO (112) | -112.00 | |
| | | | | | | 11424 | 20 BIKE RACKS 19380 | 19,380.00 | |
| 21354 | 03/30/07 | 187.32 | 002034 | CARLON'S FIRE EXTINGUISHER | | 11342 | OUT REPAIR/EQUIP | 187.32 | |
| 21355 | 03/30/07 | 236.47 | 002063 | COSTCO | | 11343 | LOCAL MEETING EXP | 51.40 | |
| | | | | | | 11425 | PHOTO PROC-OPS | 21.91 | |
| | | | | | | 11426 | OFFICE SUPPLIES-OPS | 114.03 | |
| | | | | | | 11427 | PHOTO PROC-OPS | 49.13 | |
| 21356 | 03/30/07 | 672.00 | 002109 | CITY OF SANTA CRUZ/PARKING | | 11344 | PARKING PERMITS/MC | 672.00 | |
| 21357 | 03/30/07 | 64.00 | 002567 | DEPARTMENT OF JUSTICE | | 11345 | FEB FINGERPRINTS | 64.00 | |
| 21358 | 03/30/07 | 23.72 | 002689 | B & B SMALL ENGINE | | 11346 | REPAIRS/MAINTENANCE | 23.72 | |
| 21359 | 03/30/07 | 3,339.43 | 002713 | SANTA CRUZ AUTO TECH, INC. | | 11347 | OUT RPR REV VEH/PT | 2,372.79 | |
| | | | | | | 11430 | OUT RPR OTH VEH | 966.64 | |
| 21360 | 03/30/07 | 2,671.09 | 002802 | BATTERY SYSTEMS | | 11428 | REV VEH PARTS | 1,214.13 | |
| | | | | | | 11429 | REV VEH PARTS | 1,456.96 | |
| 21361 | 03/30/07 | 1,623.84 | 002805 | TELEPATH CORPORATION | | 11348 | OUT RPR EQUIP | 394.64 | |
| | | | | | | 11431 | MAINT/RPR EQUIP | 1,229.20 | |
| 21362 | 03/30/07 | 1,463.28 | 002814 | CREATIVE BUS SALES, INC. | | 11349 | REV VEH PARTS/PT | 1,463.28 | |
| 21363 | 03/30/07 | 3,072.39 | 002829 | VALLEY POWER SYSTEMS, INC. | | 11432 | REV VEH PARTS | 1,716.72 | |
| | | | | | | 11433 | REV VEH PTS/RPR | 1,355.67 | |
| 21364 | 03/30/07 | 65.00 | 002847 | STATE OF CA-EDD | | 11350 | PARADISE LEVY | 65.00 | |
| 21365 | 03/30/07 | 835,593.30 | 002887 | WEST BAY BUILDERS, INC. | | 11351 | CONST SVC MB TO 2/28 | 835,593.30 | |
| 21366 | 03/30/07 | 135.00 | 002896 | ROGER'S REFRIGERATION, INC. | | 11405 | DIAGNOSTIC | 135.00 | |
| 21367 | 03/30/07 | 88.75 | 002897 | ERVIN, EUGENE | | 11434 | BUS ANNOUNCE AUDIT | 88.75 | |
| 21368 | 03/30/07 | 41.19 | 004 | NORTH BAY FORD LINC-MERCURY | | 11435 | REV VEH PARTS | 41.19 | |
| 21369 | 03/30/07 | 3,106.80 | 009 | PACIFIC GAS & ELECTRIC | | 11352 | 2/14-3/15 RESEARCH | 1,026.52 | |
| | | | | | | 11353 | 1/12-3/10 KINGS VLG | 2,080.28 | |
| 21370 | 03/30/07 | 280.00 | 014 | CABRILLO COLLEGE | | 11354 | FINGERPRINTING | 280.00 | |
| 21371 | 03/30/07 | 317.72 | 020 | ADT SECURITY SERVICES INC. | | 11355 | APR ALARMS | 317.72 | |
| 21372 | 03/30/07 | 58.46 | 034 | BLUEPRINT EXPRESS | 7 | 11356 | BLUEPRINTS FOR MB | 58.46 | |
| 21373 | 03/30/07 | 895.96 | 039 | KINKO'S INC. | | 11357 | FEB PRINTING/HEADWAY | 895.04 | |
| | | | | | | 11358 | 2/27 PRINTING/RISK | 0.92 | |
| 21374 | 03/30/07 | 1,500.00 | 050 | PITNEY BOWES INC. | | 11359 | PREPAID POSTAGE/MC | 1,500.00 | |
| 21375 | 03/30/07 | 151.00 | 067 | ROTO-ROOTER | | 11360 | OUT RPR-BLD/GROUNDS | 151.00 | |
| 21376 | 03/30/07 | 327.40 | 075 | COAST PAPER & SUPPLY INC. | | 11361 | CLEANING SUPPLIES | 99.81 | |

5-1.8

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
 CHECK JOURNAL DETAIL BY CHECK NUMBER
 ALL CHECKS FOR COAST COMMERCIAL BANK

DATE: 03/01/07 THRU 03/31/07

| CHECK NUMBER | CHECK DATE | CHECK AMOUNT | VENDOR | VENDOR NAME | VENDOR TYPE | TRANS. NUMBER | TRANSACTION DESCRIPTION | TRANSACTION AMOUNT | COMMENT |
|--------------|------------|--------------|--------|--------------------------------|-------------|---------------|-------------------------|--------------------|---------|
| | | | | | | 11436 | PARTS & SUPPLIES | 57.16 | |
| | | | | | | 11437 | CLEANING SUPPLIES | 170.43 | |
| 21377 | 03/30/07 | 21,696.62 | 085 | DIXON & SON TIRE, INC. | | 11438 | FEB TIRES/TUBES FLT | 21,696.62 | |
| 21378 | 03/30/07 | 1,801.64 | 117 | GILLIG CORPORATION | | 11439 | REV VEH PARTS | 162.92 | |
| | | | | | | 11440 | REV VEH PARTS | 738.87 | |
| | | | | | | 11441 | REV VEH PARTS | 351.81 | |
| | | | | | | 11442 | REV VEH PARTS | 548.04 | |
| 21379 | 03/30/07 | 1,880.55 | 130 | CITY OF WATSONVILLE UTILITIES | | 11362 | 1/4-3/2 RODRIGUEZ | 31.56 | |
| | | | | | | 11363 | CONTAINER/RODRIGUEZ | 1,358.24 | |
| | | | | | | 11364 | 1/4-3/2 RODRIGUEZ | 427.20 | |
| | | | | | | 11365 | 1/4-3/2 RODRIGUEZ | 63.55 | |
| 21380 | 03/30/07 | 307.80 | 149 | SANTA CRUZ SENTINEL | | 11443 | CLASS ADV-FLT | 307.80 | |
| 21381 | 03/30/07 | 3,572.25 | 156 | PRINT GALLERY, THE | | 11366 | PRINT ROUTE STICKERS | 3,572.25 | |
| 21382 | 03/30/07 | 122.55 | 166 | HOSE SHOP, THE | | 11367 | REPAIRS/MAINTENANCE | 80.98 | |
| | | | | | | 11444 | PARTS/RPR-FLT | 41.57 | |
| 21383 | 03/30/07 | 76.25 | 172 | CENTRAL WELDER'S SUPPLY, INC. | | 11445 | PARTS & SUPPLIES | 76.25 | |
| 21384 | 03/30/07 | 58.46 | 186 | WILSON, GEORGE H., INC. | | 11368 | REPAIRS/MAINTENANCE | 58.46 | |
| 21385 | 03/30/07 | 544.42 | 215 | IKON OFFICE SOLUTIONS | | 11446 | COPIER MAINT-OPS | 544.42 | |
| 21386 | 03/30/07 | 135.57 | 220 | JONES COMPANY, THE ED | | 11447 | UNIF BADGES-OPS | 135.57 | |
| 21387 | 03/30/07 | 285.94 | 282 | GRAINGER | | 11369 | REPAIRS/MAINTENANCE | 195.53 | |
| | | | | | | 11370 | REPAIRS/MAINTENANCE | 90.41 | |
| 21388 | 03/30/07 | 387.00 | 291 | STANLEY ACCESS TECHNOLOGIES | | 11371 | DOOR SVC/WTC | 387.00 | |
| 21389 | 03/30/07 | 34.40 | 298 | ERGOMETRICS | | 11372 | SCORING SVCS | 34.40 | |
| 21390 | 03/30/07 | 184.00 | 367 | COMMUNITY TELEVISION OF | | 11373 | TV COVERAGE 2/23 MTG | 184.00 | |
| 21391 | 03/30/07 | 407.00 | 372 | FEDERAL EXPRESS | | 11448 | FEB/MAR MAIL-ADMIN | 303.14 | |
| | | | | | | 11449 | FEB MAIL-METRO | 16.02 | |
| | | | | | | 11450 | FEB MAIL-HRD | 25.97 | |
| | | | | | | 11451 | FEB MAIL-FLT | 61.87 | |
| 21392 | 03/30/07 | 579.03 | 395 | APPLIED GRAPHICS, INC. | | 11452 | PRINTING-FLT | 579.03 | |
| 21393 | 03/30/07 | 1,540.70 | 432 | EXPRESS PERSONNEL SERVICES | | 11453 | TEMP W/E 2/28 & 3/2 | 1,540.70 | |
| 21394 | 03/30/07 | 53.22 | 434B | VERIZON CALIFORNIA | | 11454 | MT. BIEWLASKI | 53.22 | |
| 21395 | 03/30/07 | 165.64 | 436 | WEST PAYMENT CENTER | | 11374 | FEB ACCESS CHGS | 165.64 | |
| 21396 | 03/30/07 | 330.00 | 447 | FERRIS HOIST & REPAIR, INC. | | 11455 | PARTS & SUPPLIES | 330.00 | |
| 21397 | 03/30/07 | 387,963.74 | 502 | CA PUBLIC EMPLOYEES' | | 11375 | APR MEDICAL INS | 387,963.74 | |
| 21398 | 03/30/07 | 40.94 | 570 | SCMTD PETTY CASH - CUST SVC | | 11406 | PETTY CASH/CUST SVC | 40.94 | |
| 21399 | 03/30/07 | 1,348.08 | 647 | GFI GENFARE | | 11456 | REV VEH PARTS | 1,348.08 | |
| 21400 | 03/30/07 | 7,211.66 | 664 | BAY COUNTIES PITCOCK PETROLEUM | | 11457 | FUEL/LUB FLT | 7,211.66 | |
| 21401 | 03/30/07 | 1,072.00 | 733 | CLAREMONT BEHAVIORAL SERVICES | | 11376 | APR EAP PREMIUM | 1,072.00 | |
| 21402 | 03/30/07 | 565.00 | 745 | COUNTY OF SANTA CRUZ | | 11377 | HEALTH PERMITS | 565.00 | |
| 21403 | 03/30/07 | 395.12 | 788 | SCMTD PETTY CASH - FINANCE | | 11378 | PETTYCASH/FINANCE | 395.12 | |
| 21404 | 03/30/07 | 235.00 | 819 | MONEY SYSTEMS TECHNOLOGY, INC. | | 11458 | REV VEH PARTS 195 | 235.00 | |
| 21405 | 03/30/07 | 5,250.00 | 833 | CITRIX SYSTEMS INC. | | 11379 | SERVER MAINTENANCE | 5,250.00 | |
| 21406 | 03/30/07 | 37.74 | 848 | SANTA CRUZ ELECTRONICS, INC. | | 11459 | PARTS & SUPPLIES | 37.74 | |
| 21407 | 03/30/07 | 272.00 | 852 | LAW OFFICES OF MARIE F. SANG | 7 | 11380 | WORKERS COMP CLAIMS | 272.00 | |
| 21408 | 03/30/07 | 3,672.11 | 876 | ATCHISON, BARISONE, CONDOTTI & | | 11381 | PROP ACQUIS/MB/FRONT | 3,672.11 | |
| 21409 | 03/30/07 | 1,397.10 | 878 | KELLY SERVICES, INC. | | 11382 | TEMP/FIN W/E 2/25 | 29.10 | |
| | | | | | | 11383 | TEMP/FIN W/E 2/25 | 1,368.00 | |
| 21410 | 03/30/07 | 32.50 | 886 | ALL PURE WATER | | 11460 | OFFICE SUPPLIES | 32.50 | |
| 21411 | 03/30/07 | 37,468.14 | 904 | RNL DESIGN | | 11384 | PROF SVCS TO 1/31 MB | 37,468.14 | |
| 21412 | 03/30/07 | 1,250.35 | 909 | CLASSIC GRAPHICS | | 11461 | OUT RPR REV VEH | 1,250.35 | |

5-1.9

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
 CHECK JOURNAL DETAIL BY CHECK NUMBER
 ALL CHECKS FOR COAST COMMERCIAL BANK

DATE: 03/01/07 THRU 03/31/07

| CHECK NUMBER | CHECK DATE | CHECK AMOUNT | VENDOR | VENDOR NAME | VENDOR TYPE | TRANS. NUMBER | TRANSACTION DESCRIPTION | TRANSACTION AMOUNT | COMMENT |
|--------------|------------|--------------|--------|------------------------------|-------------|---------------|-------------------------|--------------------|--------------|
| 21413 | 03/30/07 | 8,024.57 | 912 | FOLGER GRAPHICS | | 11388 | PRINTING/HEADWAYS | 8,024.57 | |
| 21414 | 03/30/07 | 10.83 | 946 | ACME AND SONS | | 11462 | FENCE RENT-DUBOIS | 10.83 | |
| 21415 | 03/30/07 | 614,831.61 | 948 | ARNTZ BUILDERS, INC. | | 11389 | CONST SVC MB TO 2/28 | 614,831.61 | |
| 21416 | 03/30/07 | 68,314.62 | 948A | WESTAMERICA BANK TRUST DEPT | | 11390 | FEB RETAINAGE/MB | 68,314.62 | |
| 21417 | 03/30/07 | 95.00 | 967 | UC BERKELY | | 11385 | ADA TRANS/FAC COURSE | 95.00 | |
| 21418 | 03/30/07 | 96.14 | 968 | FEDEX FREIGHT | | 11391 | REPAIRS/MAINTENANCE | 96.14 | |
| 21419 | 03/30/07 | 770.08 | 969 | POINTE SOUTH MOUNTAIN RESORT | | 11386 | TRAPEZE 07 USER CONF | 770.08 | |
| 21420 | 03/30/07 | 92,843.70 | 970 | THE MECHANICS BANK | | 11403 | FEB RETAINAGE/MB | 92,843.70 | |
| 21421 | 03/30/07 | 1,604.69 | 980 | MCMASTER-CARR SUPPLY CO | | 11387 | REPAIRS/MAINTENANCE | 1,604.69 | |
| 21422 | 03/30/07 | 100.00 | B003 | BEAUTZ, JAN | 7 | 11394 | MARCH BOARD MTG | 100.00 | |
| 21423 | 03/30/07 | 100.00 | B011 | REILLY, EMILY | 7 | 11398 | MARCH BOARD MTG | 100.00 | |
| 21424 | 03/30/07 | 100.00 | B012 | SPENCE, PAT | 7 | 11400 | MARCH BOARD MTG | 100.00 | |
| 21425 | 03/30/07 | 100.00 | B014 | CITY OF WATSONVILLE | | 11402 | MARCH BOARD MTG | 100.00 | |
| 21426 | 03/30/07 | 100.00 | B015 | ROTKIN, MIKE | 7 | 11399 | MARCH BOARD MTG | 100.00 | |
| 21427 | 03/30/07 | 50.00 | B017 | STONE, MARK | 7 | 11401 | MARCH BOARD MTG | 50.00 | |
| 21428 | 03/30/07 | 100.00 | B018 | BUSTICHI, DENE | 7 | 11395 | MARCH BOARD MTG | 100.00 | |
| 21429 | 03/30/07 | 100.00 | B020 | NICOL, KIRBY | 7 | 11397 | MARCH BOARD MTG | 100.00 | |
| 21430 | 03/30/07 | 100.00 | B021 | HAGEN, DONALD N. | | 11396 | MARCH BOARD MTG | 100.00 | |
| 21431 | 03/30/07 | 200.00 | E526 | WARNOCK, APRIL | | 11392 | TRAVEL ADVANCE | 200.00 | |
| 21432 | 03/30/07 | 54.00 | T142 | NOBLE, MYRTLE | | 11393 | 18 PREPAID TICKETS | 54.00 | |
| TOTAL | | 5,299,341.68 | | COAST COMMERCIAL BANK | | | TOTAL CHECKS | 325 | 5,299,341.68 |

5-1.10

GOVERNMENT TORT CLAIM

RECOMMENDED ACTION

TO: Board of Directors

FROM: District Counsel

RE: Claim of: Jonas, Ben S.
Date of Incident: 02/20/07

Received: 03/27/07 Claim #: 07-0011
Occurrence Report No.: MISC 07-03

In regard to the above-referenced Claim, this is to recommend that the Board of Directors take the following action:

- 1. Reject the claim entirely.
- 2. Deny the application to file a late claim.
- 3. Grant the application to file a late claim.
- 4. Reject the claim as untimely filed.
- 5. Reject the claim as insufficient.
- 6. Allow the claim in full.
- 7. Allow the claim in part, in the amount of \$ _____ and reject the balance.

By Margaret Gallagher
Margaret Gallagher
DISTRICT COUNSEL

Date: 3-28-07

I, Cindi Thomas, do hereby attest that the above Claim was duly presented to and the recommendations were approved by the Santa Cruz Metropolitan Transit District's Board of Directors at the meeting of April 27, 2007.

By _____
Cindi Thomas
RECORDING SECRETARY

Date: _____

MG/lg
Attachment(s)

CLAIM AGAINST THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

(Pursuant to Section 910 et Seq., Government Code)

Claim # 07-0011

TO: BOARD OF DIRECTORS, Santa Cruz Metropolitan Transit District

ATTN: Secretary to the Board of Directors
370 Encinal Street, Suite 100
Santa Cruz, CA 95060

1. Claimant's Name: Ben S. Jonas
Claimant's Address/Post Office Box:

2. Claimant's Phone Number:
Address to which notices are to be sent:

3. Occurrence: The final Hwy 17 bus at 10:30 on Tuesday 2/20 never showed. inbound to Santa Cruz I was forced to pay \$80.00 for a cab.
Date: 2/20/07 Time: 10:30 Place: SSSU
Circumstances of occurrence or transaction giving rise to claim: 10:30 inbound Hwy 17 bus never showed.

4. General description of indebtedness, obligation, injury, damage, or loss incurred so far as is known: \$80.00 for cab ride. I would like a Hwy 17 bus pass for the month of April. The receipt is enclosed. from the cab ride.

5. Name or names of public employees or employees causing injury, damage, or loss, if known:

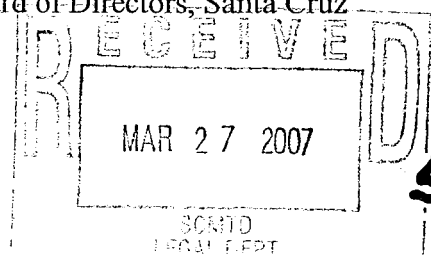
6. Amount claimed now \$80.00
Estimated amount of future loss, if known \$
TOTAL \$86.00

7. Basis of above computations: cab ride cost

CLAIMANT'S SIGNATURE (or Company Representative or Parent of Minor Claimant)

3/25/07 DATE

Note: Claim must be presented to the Secretary to the Board of Directors, Santa Cruz Metropolitan Transit District



5-2.2

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: April 27, 2007
TO: Board of Directors
FROM: Frank L. Cheng, Project Manager
SUBJECT: CONSIDERATION OF METROBASE STATUS REPORT

I. RECOMMENDED ACTION

That the Board of Directors accept and file the MetroBase Status Report.

II. SUMMARY OF ISSUES

- Service Building work
 - Arntz Builders continuing with storm drain connection, bus wash system, and internal items to the building.
 - PG&E and AT&T is corresponding their work with Arntz Builders.
- Maintenance Building
 - West Bay Builders continuing site work on 120 Golf Club Drive property

III. DISCUSSION

Service & Fueling Building work is continuing on 1122 River Street. Granite Construction, a subcontractor to Arntz Builders, is completing storm drain connection for work the site. Arntz Builders is working on bus wash system and internal item installation for the Service & Fueling Building. PG&E and AT&T is corresponding their work with Arntz Builders. PG&E will be connecting the gas and electrical connections to site. AT&T is connecting phone service to site.

West Bay Builders is continuing site work on 120 Golf Club Drive property. West Bay Builders have been digging into the foundation to set up the foundation for the inspection pits for the two drive-through bays in the Maintenance Building. Rebar was installed and concrete poured for the pit area. Surrounding foundation and site work is continuing.

Information for the MetroBase Project can be viewed at <http://www.scmtd.com/metrobase>
Information on the project, contact information, and MetroBase Hotline number (831) 621-9568 can be viewed on the website.

New updates on the MetroBase Project:

- Arntz Builders is completing storm drain connection.
- PG&E and AT&T is corresponding their work with Arntz Builders.
- West Bay Builders continuing site work on 120 Golf Club Drive property.

5-3.1

Previous information regarding the MetroBase Project:

A. Service & Fueling Building (IFB 05-12)

- On January 26, 2007, Board of Directors went on a tour of the MetroBase Project.
- Received Caltrans Encroachment Permit. Work continuing.
- Department of Fish&Game approved work on outfall construction completed.
- Concrete work for floor foundation area complete.
- Concrete work for LNG pad and containment area completed.
- Concrete Driven Piles completed end of May 2006.
- Arntz Builders trailer and containers installed adjacent to 1122 River Street
- Public Outreach Newsletter sent to areas possibly affected by construction.
- Notice to Proceed issue effective January 9, 2006 with 365 calendar day construction period.
- Weekly Construction Meetings

B. Maintenance Building (IFB 06-01)

- On November 20, 2006, METRO received signed copies of IFB 06-01 from West Bay Builders including agreement to Labor Harmony provisions included in award letter.
- IFB 06-01 Maintenance Building awarded to West Bay Builders for \$15,195,000 contingent upon Labor Harmony provision in award letter.
- Invitation For Bid 06-01 available at Watsonville BluePrint. Pre-Bid Conference scheduled for September 6, 2006 at 110 Vernon Street, Suite B, Santa Cruz, CA. IFB 06-01 Bid due on October 17, 2006 at 2:00 pm.
- Construction schedule set to 32 months
- RNL contract modified for added Maintenance Building scope
- Harris & Associates contract modified for added Maintenance Building scope.
- Weekly Construction Meetings.

IV. FINANCIAL CONSIDERATIONS

Funds for the construction of the Service & Fueling, and Maintenance Building Components of the MetroBase Project are available within the funds the METRO has secured for the Project.

V. ATTACHMENTS

Attachment A: None

5-3.2



Agenda
METRO Advisory Committee

6:00 pm
April 18, 2007
920 Pacific Avenue
Santa Cruz, California

1. Roll Call
2. Agenda Additions/Deletions
3. Oral/Written Communication
4. Consideration of Minutes of January 17, February 21 (Cancelled), and March 21 (Cancelled), 2007
5. Ridership Report for December 2006, January 2007, and February 2007
6. ParaCruz Operations Status Report for October, November and December 2006
7. Discussion of MAC Attendance
8. Consideration of MAC Member Absence Notification Procedure
9. Discussion of Public Promotion of MAC
10. Discussion of MAC Representation with SCCRTC / E&D TAC
11. Consideration of Proposed Modifications of METRO ParaCruz Service Eligibility Appeals Process Regulation
12. Communications to METRO General Manager
13. Communications to METRO Board of Directors
14. Items for Next Meeting Agenda
15. Adjournment

Next Meeting: Wednesday, May 16, 2007 @ 6:00 pm
Santa Cruz Metro Conference Room

5-4.1

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: April 27, 2007
TO: Board of Directors
FROM: Steve Paulson, Paratransit Administrator
SUBJECT: METRO PARACRUZ OPERATIONS STATUS REPORT

I. RECOMMENDED ACTION

This report is for information only- no action requested

II. SUMMARY OF ISSUES

- METRO ParaCruz is the federally mandated ADA complementary paratransit program of the Transit District, providing shared ride, door-to-door demand-response transportation to customers certified as having disabilities that prevent them from independently using the fixed route bus.
- METRO assumed direct operation of paratransit services November 1, 2004.
- Operating Statistics and customer feedback information reported are for the month of January 2007.
- On time performance and operating efficiency continue to be impacted by widespread roadwork.
- A request has been made for a breakdown of pick-ups beyond the ready window.

III. DISCUSSION

METRO ParaCruz is the federally mandated ADA complementary paratransit program of the Transit District, providing shared ride, door-to-door demand-response transportation to customers certified as having disabilities that prevent them from independently using the fixed route bus.

METRO began direct operation of ADA paratransit service (METRO ParaCruz) beginning November 1, 2004. This service had been delivered under contract since 1992.

Recently, there was discussion regarding ParaCruz on-time performance. It was noted that most statistical data continues to show improvement, the reported percentage of pick ups performed within the "ready window" has remained relatively consistent, hovering at roughly 90%. There was a request for staff to provide a break down the pick-ups beyond the "ready window".

5-5.1

The table below displays the percentage of pick-ups within the “ready window” and a breakdown in 5-minute increments for pick-ups beyond the “ready window”.

| | January 2006 | January 2007 |
|--|---------------------|---------------------|
| Total pick ups | 6405 | 6802 |
| Percent in “ready window” | 94.06% | 91.87% |
| 1 to 5 minutes late | 2.03% | 2.97% |
| 6 to 10 minutes late | 1.56% | 1.93% |
| 11 to 15 minutes late | 1.06% | 1.37% |
| 16 to 20 minutes late | 0.61% | 0.82% |
| 21 to 25 minutes late | 0.33% | 0.38% |
| 26 to 30 minutes late | 0.19% | 0.29% |
| 31 to 35 minutes late | 0.20% | 0.19% |
| 36 to 40 minutes late | 0.05% | 0.18% |
| 41 or more minutes late (excessively late/missed trips) | 0.05% | 0.04% |
| Total beyond “ready window” | 5.93% | 8.13% |

During the month of January, five (5) service complaints, two (2) policy complaints and three (3) compliments were received. Three (3) of the complaints were found to be “not valid”. One (1) of the valid service complaints was related to a late pick-up, one (1) related to driver attitude, and one (1) related to the vehicle sent by the contractor. One of the complaints concerning policy was related to a customer booking a ride to a location and expecting ParaCruz to change her return time because the activity she was going to attend had been cancelled. The other was related to a procedural change, requiring Operators to verify pick up and drop off locations prior to departing. The customer expressed the opinion was this procedure was creating delays for passengers.

5-5.2

Comparative Operating Statistics This Fiscal Year, Last Fiscal Year through January

| | January 06 | January 07 | Fiscal 06 YTD | Fiscal 07 YTD |
|---|-------------------|-------------------|----------------------|----------------------|
| Requested | 7,419 | 7,886 | 56,808 | 54,614 |
| Performed | 6,405 | 6,802 | 49,177 | 48,165 |
| Cancels | 18.39% | 18.69% | 19.52% | 18.89% |
| No Shows | 2.72% | 3.21% | 3.65% | 2.98% |
| Total miles | 50,210 | 47,205 | 385,126 | 333,314 |
| Av trip miles | 5.56 | 5.00 | 5.76 | 5.05 |
| Within ready window | 94.06% | 91.87% | 91.25% | 90.51% |
| Excessively late/missed trips | 4 | 3 | 109 | 97 |
| Call center volume | 5,690 | 5,077 | 44,627 | 41,227 |
| Call average seconds to answer | 29 | 23 | 29 | 23 |
| Hold times less than 2 minutes | 95% | 96% | 90% | 95% |
| Distinct riders | 748 | 785 | 1,535 | 1,374 |
| Most frequent rider | 43 | 58 | 274 | 262 |
| Shared rides | 60.4% | 63.7% | 62.2% | 64.2% |
| Passengers per rev hour | 1.49 | 1.78 | 1.57 | 1.73 |
| Rides by supplemental providers | 1.92% | 8.01% | 8.76% | 8.00% |
| SCT cost per ride | \$24.38 | \$24.58 | \$23.12 | \$23.80 |
| ParaCruz driver cost per ride (estimated) | \$24.88 | \$26.82 | \$24.40 | \$25.77 |
| Rides < 10 miles | 79.30% | 81.75% | 79.76% | 82.25% |
| Rides > 10 | 20.70% | 18.25% | 20.24% | 17.75% |

IV. FINANCIAL CONSIDERATIONS

NONE

V. ATTACHMENTS

NONE

5-5.3

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: April 27, 2007
TO: Board of Directors
FROM: Mark J. Dorfman, Assistant General Manager
SUBJECT: UNIVERSITY OF CALIFORNIA – SANTA CRUZ SERVICE UPDATE

I. RECOMMENDED ACTION

This report is for information purposes only. No action is required

II. SUMMARY OF ISSUES

- Student trips for February 2007 decreased by (2.3%) versus February 2006.
- Faculty / staff trips for February 2007 decreased by (2.2%) versus February 2006.
- Revenue received from UCSC for February 2007 was \$261,961 versus \$235,502 for February 2006, an increase of 11.2%.
- New supplemental service for the Route 20 began in March 2006 and has been continued on a quarter-by-quarter basis.

III. DISCUSSION

UCSC Fall instruction began on September 21, 2006. A summary of the results for November 2006 is:

- Student billable trips for regular service in February 2007 were 216,218 versus 232,528 for February 2006, a decrease of (7.0%).
- Faculty / Staff billable trips for regular service in February 2007 were 16,503 versus 17,209 for February 2006, a decrease of (4.1%).
- Student billable trips for Route 20 Supplemental service in February 2007 were 10,869. Supplemental service did not exist in February 2006.
- Faculty / Staff billable trips for Route 20 Supplemental service in February 2007 were 421. Supplemental service did not exist on February 2006.
- Student billable trips for the Night Owl service in February 2007 were 3,895 versus 3,905 for February 2006, a decrease of (0.3%).

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- Faculty / Staff billable trips for Night Owl service in February 2007 were 28 versus 46 for February 2006, a decrease of (39.1%).
- Average student billable trips per school term day for all UC Service in February 2007 were 10,752.7 versus 11,038.9 for February 2006, a decrease of (2.6%).
- Average Faculty / Staff billable trips *per weekday* for all UC service in February 2007 were 839.8 versus 835.8 for February 2006, a decrease of (2.3%).

| February | Student Ridership | Faculty/Staff Ridership | Average Ridership <i>Per School Term Day</i> - Student | Average Ridership <i>Per Weekday</i> - Faculty / Staff |
|-----------------------------|-------------------|-------------------------|--|--|
| Regular Service | 216,218 | 16,503 | 10,092.5 | 816.6 |
| Supplemental | 10,869 | 421 | 572.1 | 22.2 |
| Night Owl | 3,895 | 28 | 88.1 | 1.0 |
| 2007 Total | 230,982 | 16,952 | 10,752.7 | 839.8 |
| 2006 | 236,460 | 17,328 | 11,038.9 | 835.8 |
| Monthly Increase-(Decrease) | (2.3%) | (2.2%) | (2.6%) | (2.3%) |

IV. FINANCIAL CONSIDERATIONS

NONE

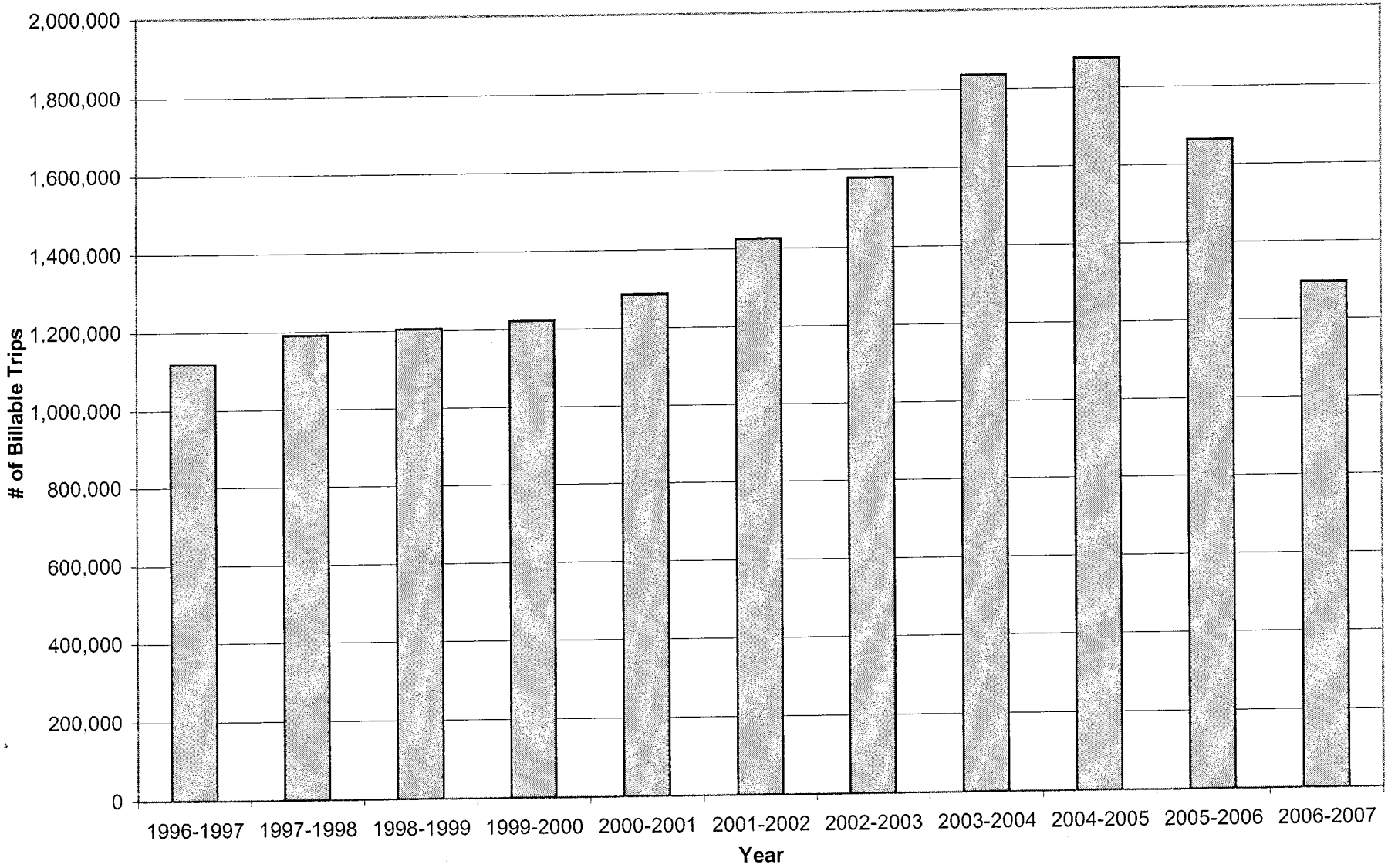
V. ATTACHMENTS

Attachment A: UC Student Billable Trips

Attachment B: UCSC Faculty / Staff Billable Trips

5-6.2

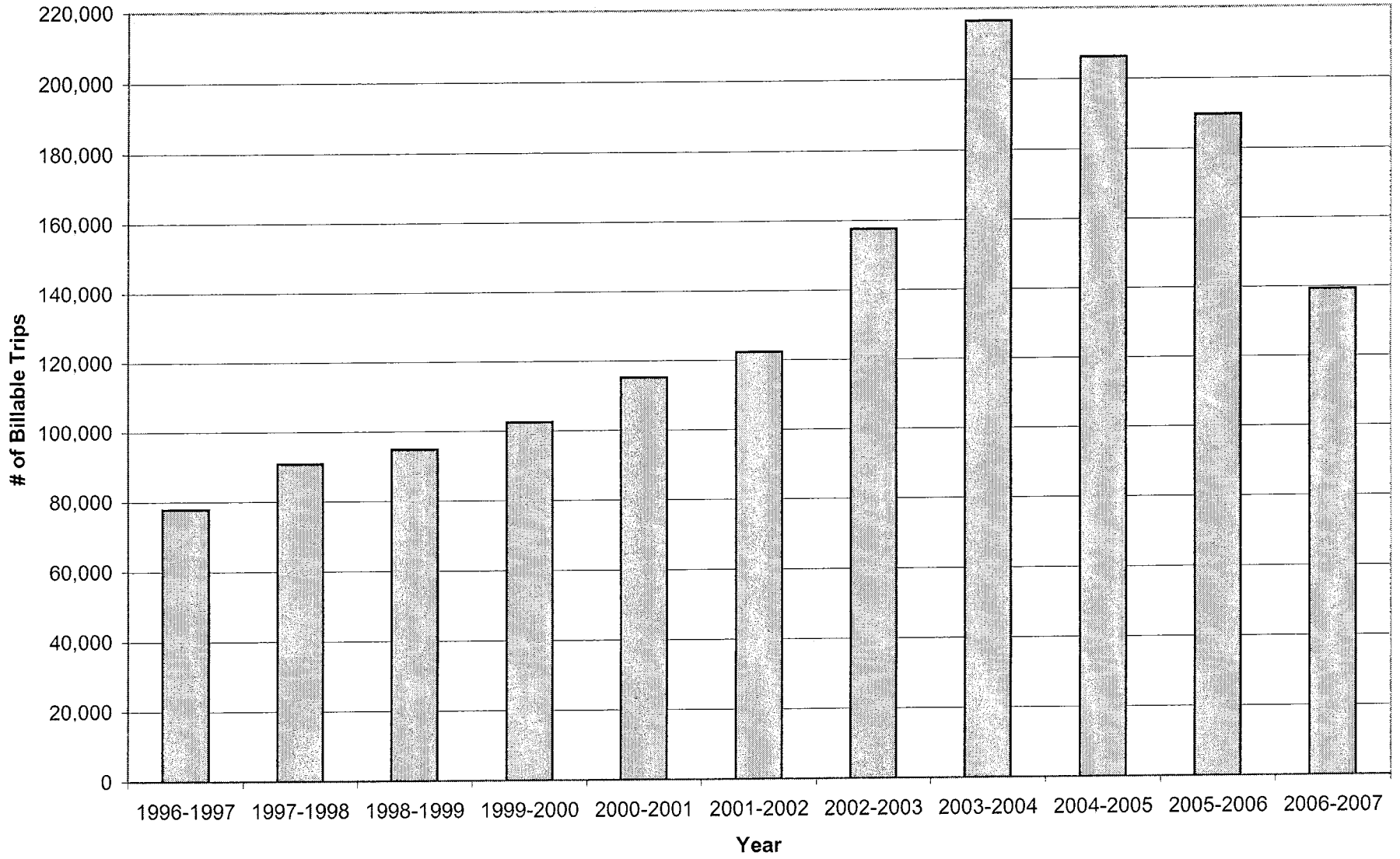
UCSC Student Billable Trips



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Attachment A

UCSC Faculty / Staff Billable Trips



5-6.61

Attachment B

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: April 27, 2007
TO: Board of Directors
FROM: Mark J. Dorfman, Assistant General Manager
SUBJECT: ACCEPT AND FILE VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR PREVIOUS MEETINGS

I. RECOMMENDED ACTION

That the Board of Directors accept and file the voting results from appointees to the Santa Cruz County Regional Transportation Commission.

II. SUMMARY OF ISSUES

- Per the action taken by the Board of Directors, staff is providing the minutes from the most recent meetings of the Santa Cruz County Regional Transportation Commission.
- Each month staff will provide the minutes from the previous month's SCCRTC meetings.

III. DISCUSSION

The Board requested that staff include in the Board Packet information relating to the voting results from the appointees to the Santa Cruz County Regional Transportation Commission. Staff is enclosing the minutes from these meetings as a mechanism of complying with this request.

IV. FINANCIAL CONSIDERATIONS

There is no cost impact from this action.

V. ATTACHMENTS

- Attachment A:** Minutes of the January 11, 2007 Regular SCCRTC Meeting
Attachment B: Minutes of the February 15, 2007 Transportation Policy Workshop
Attachment C: Minutes of the March 1, 2007 Regular SCCRTC Meeting
Attachment D: Minutes of the March 15, 2007 Transportation Policy Workshop

5-7.1

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
AND
SERVICE AUTHORITY FOR FREEWAY EMERGENCIES

Minutes

Thursday,
January 11, 2007
9:00 a.m.

Santa Cruz City Council Chambers
809 Center Street
Santa Cruz CA 95060

1. Roll Call

Members Present: Jan Beautz Antonio Rivas
Tony Campos Dale Skillicorn (Alt.)
Neal Coonerty Pat Spence
Randy Johnson Mark Stone
Dennis Norton Marcela Tavantzis
Emily Reilly Ashley Winn (Alt.)
Aileen Loe (ex-officio Alt.)

Staff Present: George Dondero Gini Pineda
Luis Mendez Rachel Moriconi
Kim Shultz Grace Blakeslee
Cory Caletti Tegan Speiser

2. Oral Communications

3. Additions or Deletions to Consent and Regular Agendas

Executive Director George Dondero noted add-on pages for Item 18, handouts for Items 23 and 24c-1, replacement pages for Item 28 pages 28-9 and 28- 10 and Attachments 4 and 5 for Item 28.

Commissioner Spence asked to pull Item 6 from the Consent Agenda. Chair Campos said that the item would be discussed following the approval of the Consent Agenda.

CONSENT AGENDA (Reilly/Rivas)

4. Approved Draft Minutes of the December 7, 2006 Regular SCCRTC Meeting, as amended below.

Commissioner Tavantzis noted a mistake on the minutes of the December 7, 2006 Regional Transportation Commission

meeting and submitted a written clarification. Page 4, Item 21, paragraph 3 of the amended minutes will read "Ms. Tavantzis said that the Metro submitted an encroachment application ~~which was denied and is now working to Caltrans~~ and requests that it be expedited. The encroachment permit would then be used by Metro to contract with Granite for the improvements, in the event that no agreement can be reached between Metro and Caltrans. Metro is requesting that Caltrans get a change order with Granite Construction approved in order to expedite the work."

Commissioner Coonerty abstained from voting on the minutes.

POLICY

No consent items

PROJECTS and PLANNING

5. Approved Staff Recommendations Regarding Traffic Monitoring Program Agreement with the Transportation Agency for Monterey County for Regional Coordinated Traffic Counts (Resolution 36-07)
6. Approve Elderly and Disabled Transportation Advisory Committee (E&D TAC) and Staff Recommendations Regarding Appointment to the E&D TAC - Moved to Item 21.1

COMMISSION BUDGET AND EXPENDITURES

7. Approved Staff Recommendations Regarding Request for Proposals for Triennial Performance Audits

ADMINISTRATION

8. Approved Consultant and Staff Recommendations Regarding Set-Aside of Social Security Funds Pending Agency Election on Social Security Participation
9. Accepted Staff Assignment List and Contact Phone Numbers

COMMITTEE MINUTES

10. Accepted Final Minutes of the November 13, 2006 Bicycle Committee Meeting
11. Accepted Draft Minutes of the December 12, 2006 Elderly and

5-7.a2

Disabled Transportation Advisory Committee Meeting

12. Accepted Draft Minutes of the December 14, 2006 Budget and Administration/Personnel Committee Meeting
13. Accepted Draft Minutes of the December 21, 2006 Interagency Technical Advisory Committee Meeting

INFORMATION/OTHER

14. Accepted Monthly Meeting Schedule
15. Accepted SCCRTC Staff Comment Letters on Draft Environmental Documents and Plans Prepared by Other Agencies - None
16. Accepted Correspondence Log
17. Accepted Letters from SCCRTC Committees and Staff to Other Agencies
 - a. Letter from the Bicycle Committee to the City of Santa Cruz Regarding a Center Line on West Cliff Drive Bicycle/Pedestrian Path
 - b. Letter from the Elderly and Disabled Transportation Advisory Committee to Santa Cruz Metro Transit District Regarding Bus Service to the La Posada Neighborhood
18. Accepted Miscellaneous Written Comments from the Public on SCCRTC Projects and Transportation Issues - None
19. Accepted Handouts from Staff and Commissioners Distributed at Previous Regional Transportation Commission Meetings
20. Accepted Information Items
 - a. United Way's Community Assessment Project Goals and Solicitation of Organizations for Ecology Action
 - b. "Path Along Schwan Lake Offers a Link in the Scenic Trail" December 12, 2006 Mid-County Post Article

SERVING AS THE SERVICE AUTHORITY FOR FREEWAY EMERGENCIES (SAFE)

21. Approved Staff Recommendation Regarding the Variable Tow Vehicle Fuel Price for the 2007 Freeway Service Patrol (FSP) Contract
 - 21.1 Approved Elderly and Disabled Transportation Advisory Committee (E&D TAC) and Staff Recommendations Regarding Appointment to the E&D TAC

Commissioner Spence said that it might be premature to put

5-7.23

a representative from the Metro Advisory Committee (MAC) on the Elderly and Disabled Transportation Advisory Committee (E&D TAC) explaining that MAC's bylaws say that all communications should go through the Metro board. She said that MAC does not want to be a permanent member of the E&D TAC at this time but would like to have a member attend and decide later if it wants to join the Committee.

Paul Marcelin-Sampson said that MAC has voted not to have membership in the E&D TAC twice before.

Commissioner Spence moved to postpone this item until there is further discussion with MAC regarding their desire to have a member on the E&D TAC. Commissioner Tavantzis seconded and the motion passed unanimously.

REGULAR AGENDA

22. Commissioner Reports - None

23. Director's Report

Executive Director George Dondero said that the voter registration information which was requested by the Commission at its last meeting was included in his written report. Mr. Dondero reported on the cost estimates for the two additional projects proposed for nomination to receive Proposition 1B Corridor Mobility Improvement Account funds and on the rail symposium held on December 13, 2006. He also highlighted key features of the Governor's Proposed 2007-08 Budget pertaining to transportation.

24. Caltrans Report

Aileen Loe, Caltrans District 5, provided updates regarding the Glenwood Curve project saying that it will cost more than originally anticipated and will not go to construction until 2008.

24.1 Temporary SCCRTC Committee Appointments for Unexpired Terms
- Oral Report by Commission Chair

Commissioner Campos recommended that Commissioners Coonerty and Stone fill two vacancies on the Budget and Administration/Personnel Committee. Commissioner Reilly moved and Commissioner Beautz seconded to approve the recommendations. The motion passed unanimously.

5-7.a.4

Commissioner Campos recommended that Commissioner Coonerty fill the vacancy on the Rail Acquisition Committee. Commissioner Rivas moved and Commissioner Reilly seconded to approve the recommendation. The motion passed unanimously.

25. Highway 1 Projects Update & Quarterly Progress Report on the Highway 1 HOV Lane PA/ED - Oral Presentation by Chris Metzger, Nolte & Associates

Executive Director George Dondero introduced SCCRTC Planner Lisa Powell to discuss the regional traffic demand model and answer question raised by Commissioners during the quarterly report given at the September Commission meeting. Ms. Powell provided the Commission with AMBAG generated statistics in three areas: population, housing and employment. She said that AMBAG will update its model in 2008 and that the updated information from the UCSC development plan will be incorporated at that time. She added that AMBAG received a blueprint grant to help fund the model update scheduled for 2008.

Due to technical difficulties, Item 26 was taken out of order followed by the continuation of Item 25.

Nolte Associates consultant Chris Metzger continued the item with a PowerPoint presentation on the status of the Highway 1 HOV Lane PA/ED.

Following the presentation Commissioners discussed various aspects of the report and posed questions to Mr. Metzger.

Mr. Metzger said that the configuration at Morrissey Boulevard would eliminate pedestrians crossing at on or off ramps and that all freeway crossings will have bike and pedestrian lanes. He said that he will provide updates to the geometry next week and revised cost estimates. He said that the environmental work will probably be complete in 2009 and the final approval received in 2010. Mr. Metzger said that the cost for ramp metering doubled because the base calculations were taken from the Caltrans Project Study Report produced in the 1990's and that the number of ramps currently being considered has increased. He added that Nolte Associates received the notice to proceed with the auxiliary lanes project this morning and that it will take about two years for environmental review to be done with a completion date estimated at 2015 if funding comes through.

5-7.95

Charles Paulden noted a need for cloverleaf configurations at some interchanges on Highway 1 and a place for bike and pedestrian crossings at Morrissey Boulevard.

Caleb Verducci said that the auxiliary lanes project should go forward.

Kristen Phillips-Matson said she was disappointed that the Commission is considering the project and wants to preserve the high quality of life available in Santa Cruz.

Carrie Friedman asked when additional widening will be done.

Sylvia Mullen said that the population in the County has doubled since Highway 1 was built and that roads need improvement.

Commissioner Beautz moved and Commissioner Spence seconded to approve the staff recommendations that the Regional Transportation Commission accept the Quarterly Progress Report from the consultant for the Highway 1 HOV Lane Project, and receive a status report on other activities related to Highway 1 projects.

The motion passed unanimously.

26. Article 8 Transportation Development Act (TDA) Allocation Request from the County of Santa Cruz for Bicycle / Pedestrian Projects

Senior Planner Cory Caletti said that the two projects requesting Transportation Development Act (TDA) funding were approved by the Bicycle and Elderly and Disabled Transportation Advisory Committees and were consistent with the *2005 Regional Transportation Plan*.

Commissioner Johnson asked for background information regarding the projects. John Presleigh, County Public Works, said that both projects would alleviate safety issues and reviewed specifics for each project.

Commissioner Spence requested that all Americans with Disabilities Act requirements be met.

Commissioner Rivas asked that the public be informed about where parking would be allowed after the bicycle lanes are

5-7.26

installed at the Calabazas Road site. Mr. Presleigh said that several public meetings were held to discuss the proposed changes and that another meeting will probably be held prior to construction.

Commissioner Johnson moved and Commissioner Beautz seconded to approve the Bicycle Committee, the Elderly and Disabled Transportation Advisory Committee and staff recommendations that the Regional Transportation Commission approve a resolution approving the County of Santa Cruz's FY 2006/2007 Transportation Development Act (TDA) Article 8 claim for \$187,382 for pedestrian and bicycle projects.

Charles Paulden suggested using more porous materials in place of concrete to build "pathways" rather than sidewalks. He said that more porous materials would decrease impermeable surfaces and storm water runoff.

Micah Posner spoke in favor of the projects.

A roll call vote was taken and the motion (Resolution 37-07) was approved unanimously.

The Commission returned to Item 25.

27. Proposed Nominations for Proposition 1B Corridor Mobility Improvement Account (CMIA) Funds

Executive Director George Dondero said that after considerable discussion, two additional projects were being presented to the Commission for its consideration as proposed nominations for CMIA funding. Mr. Dondero said that both the Park Avenue to Bay/Porter Auxiliary Lane project and the 41st Avenue to Soquel Auxiliary Lane project are considered stand alone projects and have independent utility. He said that the time constraints imposed by the California Transportation Commission (CTC) require the Commission to take action today. Mr. Dondero added that these projects will not provide capacity since they are not travel lanes but will allow more time for merging.

Commissioner Spence asked what percentage of the total project costs would be matched with local funds. Mr. Dondero said that staff will send a letter to Caltrans requesting Interregional Transportation Improvement Program (ITIP) funds for up to 25% of the costs for these projects.

Commissioner Norton asked what the CTC considers as a

5-7.a7

"project", why the CTC is pushing for such quick action, if there will be a second opportunity to apply for the CMIA funds, whether the project will result in three or four lanes in each direction, if HOV lanes will be required for future widening and if the projects require a coastal permit.

Executive Director Dondero said that the nature of the design of the Highway 1 Widening HOV Lanes Project allows subsections to be broken out and if these two projects are approved the environmental process for these sections would be accelerated. He said that the 60 day turn around time for project nomination was written into the legislation passed in November 2006 and that there is no indication that there will be another opportunity to apply for the funding. Mr. Dondero said that the projects under discussion call for adding auxiliary lanes resulting in two lanes for travel and one lane between ramps in each direction. He said that no right-of-way annexation is needed for the projects and that the CTC will not require that future widening consist of HOV lanes although the widening plan provides for them. Mr. Dondero added that the projects would comply with all state regulations.

The floor was opened for public comment.

Geoffrey Ellis said the auxiliary lanes are a step in the right direction.

Bill Malone opposed the widening because of costs and impacts to quality of life.

Paul Elerick opposed the widening.

Peter Scott, Campaign for Sensible Transportation, advised waiting until the Transportation Funding Task Force (TFTF) made its recommendations.

Carrie Friedman asked why frontage roads were not being explored to alleviate congestion.

Gail Levey, Cabrillo Estates Mobile Home Park, opposed the widening and suggested metering lights and school busses.

Micah Posner, People Power, said that the TFTF should finish its work before the Commission proceeded with requesting CMIA funding.

5-7. a8

Eva Brunner opposed the widening and suggested waiting for the TFTF's report.

Leslie Lawrence opposed widening.

Christy Kurvin was disappointed that so few Commissioners attended the rail symposium in December and suggested that more freight traffic be diverted to trains.

Ed Oberweiser said that widening would diminish his quality of life due to pollution and requested that the Commission not go forward until the TFTF completes its report.

Mattie Hessler said that her community would be negatively impacted by the road bed being closer to homes.

Peter Weiser did not support the widening citing climate change worsening as a result of increased auto use.

Janine Canada said that light rail or a rail trail would help keep Santa Cruz beautiful.

Lois Robin said that adding auxiliary lanes affects the cohesion of the town and enables cars not people. She said the City of Curitiba, Brazil produced a DVD of how it created its urban transportation solutions.

Barbara Lawrence supported reducing congestion but said that widening does not work and that Portland and San Francisco were good models for successful public transportation.

Chair Campos announced that the meeting would adjourn for a break from 10:50 to 11:00 am. After reconvening, public comment continued.

Elissa Wagner said that going forward sidesteps the democratic process and ignores the TFTF.

John Eastman said that widening is not scalable and that the highway will not grow with the needs of community.

Schifra Penzia said that widening will be detrimental to Santa Cruz.

Barbara Mutti opposed the widening.

Vicky Campbell opposed the widening citing safety issues

5-7.a9

for homes near the soundwall. She also asked what the City of Watsonville was doing to grow jobs to balance its growing population.

Reid Surlan spoke in favor of Personal rapid Transit

Brandon Yamasaki opposed the auxiliary lanes.

Sylvia Mullen said she was in favor of widening the highway and that many people voted against Measure J because of other projects that were on the ballot.

Mike Keogh said that all transportation suffers without adequate roadway systems and that due to a lack of parallel systems he supports widening Highway 1.

Bill Comfort sad that the auxiliary lanes are the right thing to do and that HOV lanes are also needed.

Debbie Bulger said that a balanced transportation system is needed and that traffic can be siphoned off the freeway with alternatives. She asked that the Commission wait until the TFTF report is out before making a decision.

Paul Marcelin-Sampson said that the auxiliary lanes directly benefit the bus system.

Elaine Rohlfes voted against widening the highway when she voted against Measure J.

Commissioner Spence moved and Commissioner Beautz seconded to approve the Interagency Technical Advisory Committee and staff recommendations that the Regional Transportation Commission (RTC):

1. Nominate the Highway 1 Park Avenue to Bay/Porter Auxiliary Lane Project, in addition to the Highway 1 Soquel Avenue to Morrissey Boulevard Auxiliary Lanes Project, to the California Transportation Commission (CTC) for Corridor Mobility Improvement Account (CMIA) funds;

and the staff recommendations that the RTC:

2. Nominate the Highway 1 41st Avenue to Soquel Avenue Auxiliary Lane Project for CMIA funding;
3. Approve a resolution approving the nominations; and,

5-7.a10

4. Request that Caltrans program Interregional Transportation Improvement Program (ITIP) funds to the Park Avenue to Bay/Porter Auxiliary Lane Project and the Soquel Avenue to Morrissey Boulevard Auxiliary Lanes Project.

Commissioner Reilly asked that it be read into the record that a motion was passed unanimously by the City of Santa Cruz opposing the Soquel to Morrissey Auxiliary Lanes project. Ms. Reilly added that she was surprised to see the two additional projects nominated for CMIA funding and that to take STIP money for one project is very different than to constrain STIP funding for three projects.

Commissioner Stone expressed concern that when government moves quickly it makes mistakes and advised waiting for the TFTF report.

Commissioner Norton said that the method being used to obtain funding for the projects does not involve people in the public process, that the funding is questionable and the method has an undermining effect on the TFTF.

Commissioner Coonerty said that he opposed the widening south of Soquel because it is premature to request funding before the environmental analysis is completed and before the TFTF releases its reports.

Several Commissioners spoke in favor of obtaining funding for the auxiliary lanes, citing polls in favor of widening, the need to alleviate congestion in south county, support from the Central Fire District and the message that the Commission would send to the California Transportation Commission (CTC) if it did not apply for these funds.

Aileen Loe clarified that the CMIA money is part of the bond measure passed in November 2006 and that this is a one-time opportunity to obtain funding from this particular source.

Commissioners continued to discuss the proposed project nominations. Executive Director Dondero noted that all projects will have to go thru environmental review and public review and that the Commission did not have to accept the funding if it was granted.

Commissioner Spence called the question.

5-7.a11

The motion (Resolution 38-07) passed with Commissioners Norton, Reilly, Coonerty and Stone voting "no".

28. Draft 2007 Legislative Agenda

Senior Planner Kim Shultz said that the Draft 2007 State Legislative Agenda has been amended to include a list of projects to be submitted for Corridor Management Improvement Account (CMIA) funding. He noted other minor changes to the preliminary Draft Legislative Agenda including language pertaining to transit-oriented development and to the Regional Blueprint Plan. Mr. Shultz also said that staff recommends clarifying concern that the Regional Blueprint Planning process becomes a prerequisite to receive funding for transportation capital improvements.

Regarding the Federal Legislative Agenda, Mr. Shultz said that minor amendments included language to add local streets and roads to the list of improvement categories for which increased federal funding is pursued. He also reported that federal appropriation earmarks previously included in the proposed FY 2007 Transportation Budget have been eliminated. Affected projects include the Pacific Station and the Monterey Bay Sanctuary Scenic Trail.

Piet Canin spoke in support of a safe bicycling bill requiring 3 feet between bike lanes and vehicular traffic.

Commissioners discussed a CalCOG priority item regarding amendments to minimize California Environmental Quality Act (CEQA) review for infill projects.

Commissioner Stone moved to approve the staff recommendations that the Regional Transportation Commission:

1. Adopt the Draft 2007 State and Federal Legislative Agendas;
2. Forward the Legislative Agendas to our State and Federal representatives; and,
3. Direct staff to continue to provide periodic status reports on development of the funding programs included in Proposition 1B Transportation Bond Measure and other associated legislative matters,

with the understanding that the Commission is not approving the CalCOG recommendations.

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Commissioner Beautz seconded and the motion passed unanimously.

29. Amending the *2006 Regional Transportation Improvement Program* to Program Projected State Transportation Improvement Program (STIP), Regional Surface Transportation Program (RSTP) and Congestion Mitigation and Air Quality (CMAQ) Improvement Program Phase-Out Funds

Senior Planner Rachel Moriconi explained the proposed process to amend the *2006 Regional Transportation Improvement Program* (RTIP) in order to program \$19.5 million in projected State Transportation Improvement Program (STIP), Regional Surface Transportation Program (RSTP) and Congestion Mitigation and Air Quality (CMAQ) Phase-Out Funds. This amount includes \$12.5 million for regionally significant transportation projects. Ms. Moriconi referred to a list of possible near term regional projects that may need funding from the upcoming RTIP amendment.

Commissioner Reilly moved and Commissioner Beautz seconded to approve the Interagency Technical Advisory Committee (ITAC) and staff recommendations that the Regional Transportation Commission (RTC):

1. Initiate the process for programming \$19.5 million in projected State Transportation Improvement Program (STIP), Regional Surface Transportation Program (RSTP) and Congestion Mitigation and Air Quality (CMAQ) Phase-Out funds;
2. Indicate its intent to program \$4 million of these funds to local jurisdictions on a population-based formula for transportation projects of their choice, with a minimum distribution of \$200,000 to each jurisdiction;
3. Indicate its intent to program \$12.5 million of these funds to regionally significant transportation projects, including the Transportation Management Associations; and,
4. Indicate its intent to program the remaining \$3 million to regionally significant projects if needed at this time, otherwise, to program the remaining \$3 million to local jurisdictions by formula;

and staff recommendations that the RTC:

5. Identify and provide input on regional projects to be evaluated for these funds.

5-7.413

Commissioner Coonerty suggested that the Pajaro Station, Waddell Creek and Scott Creek bridges, and the design of the rail trail be added to the list of regional projects considered for funding.

The maker and second agreed to add these projects.

Micah Posner asked about starting to study trains and mentioned the need for pedestrian bridges over Highway 1. He added that money for the Monterey Bay Sanctuary Scenic Trail be used to build trails and not for signs.

Carrie Friedman supported improvements to Scott Creek and funding for the Pajaro Station and pedestrian bridges over Highway 1.

Paul Marcelin-Sampson said that Caltrain is reluctant to extend service to the Pajaro Station.

Piet Canin thanked the Commission for recommending that the Transportation Management Agencies receive the CMAQ Phase-Out funds.

The motion passed unanimously.

Commissioners Spence, Stone and Johnson departed the meeting.

30. Caltrans Year in Review - Oral Presentation from Jennifer Calate, Caltrans District 5

Jennifer Calate, Caltrans District 5, gave a PowerPoint presentation on 2006 accomplishments in the district.

Commissioner Tavantzis asked if plantings along the median on Highway 1 in south county were going to be added as originally planned. Ms. Calate will provide an update on that project to the Commission at its next meeting.

CLOSED SESSION - Removed from Agenda

31. Conference with Labor Negotiators Pursuant to Government Code 54957.6

Commission Negotiators: Ellen Aldridge and George Dondero

5-7.a14

Bargaining Units: Mid-Management Unit and General Representation Unit

32. Conference with Real Property Negotiator for Acquisition of the Santa Cruz Branch Rail Line Property: Santa Cruz Branch Rail Line from Watsonville Junction to Davenport

Agency Negotiator: Kirk Trost, Miller, Owen & Trost

Negotiation Parties: SCCRTC, Union Pacific

Under Negotiation: Price and Terms

OPEN SESSION

33. Next Meetings/Adjournment

The meeting adjourned at 12:37 p.m.

The January Transportation Policy Workshop has been cancelled.

The next SCCRTC meeting is scheduled for Thursday, February 1, 2007 at 9:00 a.m. at the Board of Supervisors Chambers, 701 Ocean Street, Santa Cruz, CA 95060.

Respectfully submitted,

Gini Pineda, Staff

5-7.015

ATTENDEES

| | |
|-------------------------|-----------------|
| Mark Griffin | AMBAG |
| Colin Jones | Caltrans |
| Jennifer Calate | Caltrans |
| Bill Comfort | |
| Barbara Mutti | |
| Charles Paulden | |
| Janine Canada | |
| Carissa Yamasaki | |
| Vicky Campbell | |
| Jeff Beneke | |
| Genevieve Bookwalter | <i>Sentinel</i> |
| Peter Scott | CFST |
| John Easman | |
| Bonnie Morr | UTU Local 23 |
| Elizabeth Woodbridge | UTU Local 23 |
| Brandon Yamasaki | |
| Al Hoga | |
| Elaine Rohlfes | |
| Sandra Coley | PVTMA |
| Ed Oberweiser | People Power |
| Eva Brunner | People Power |
| Gail Levey | |
| Elissa Wagner | |
| Kristin Phillips-Matson | |
| E VanValkenburgh | |

Santa Cruz County Regional Transportation Commission (SCCRTC)

**Transportation Policy Workshop
DRAFT Minutes**

Thursday, February 15, 2007

9:00 a.m.

SCCRTC Conference Room

1523 Pacific Avenue, Santa Cruz

Members Present: Tony Campos Ellen Pirie
 Marcela Tavantzis Emily Reilly
 Pat Spence Jan Beautz
 Andy Schiffrin (Alt.) Mark Stone
 Aileen Loe (Alt.) Dene Bustichi
 Antonio Rivas Kirby Nicol
 Randy Johnson

1. Introductions-Self introductions were made
2. Oral Communications- None
3. Additions/Deletions to the Agenda - None

Consent Agenda

(Schiffirin/Reilly) Passed Unanimously

4. Approved Staff Recommendation Regarding Consultant Selection for 2006 Triennial Performance Audit (Resolution) – Commissioner Spence asked how it is determined that the RTC and SCMTD be audited and whether other TDA recipients also get audited. George Dondero responded that State law requires the audit of the RTC and the transit district and that there is no requirement to any of the other TDA recipients.
5. Approved Staff Recommendation Regarding Regional Coordinated Traffic Counts Program-Agreement with Transportation Agency for Monterey County (Resolution)
6. Approved Staff Recommendation Regarding Request from the Santa Cruz Area Transportation Management Association for Public Agency Sponsorship for their RTSP/CMAQ Funding Application (Resolution)
7. Accepted “Capitol Highlights” Weekly Report

Regular Agenda

8. Welcome New Commissioners and Solicit Committee Preferences

George Dondero welcomed Dene Bustichi and Kirby Nicol the two new commissioners and asked that if they needed any information or clarification as to the responsibilities of serving as a commissioner, please contact George Dondero or any commission staff.

Luis Mendez requested that any Commissioner interested in sitting on either the Budget and Administration/Personnel Committee or the Rail Acquisition Committee, including those currently serving, please inform Commissioner Campos, the current RTC chair, or George Dondero no later than February 28. The RTC committee chairs will make appointments at the March 1, 2007 Commission meeting.

9. Freeway Service Patrol Proposal Review Committee Recommendation for Tow Service Contract on Highway 17 – Grace Blakeslee presented the staff report.

Commissioner Alternate Schiffrin asked about the termination procedure and if any formal evaluations are prepared. Grace Blakeslee responded that the termination procedure is a 30 day notice and that there was no formal evaluation process but that she monitors the service on a monthly basis.

The staff recommendation and Resolution were approved unanimously (Schiffrin, Campos).

10. Transportation, Community and System Preservation (TCSP) Program Funding Application for the Rail Acquisition Project – Luis Mendez Presented the staff report

Commissioner Bustichi asked if the RTC would need to refund any used funding if the rail line is not purchased. Luis Mendez responded that according to the information available, that would not be case.. George Dondero also clarified that the funds are issued on a reimbursement basis so the RTC would not have the full funding on hand. Commissioner Bustichi also asked if there were any other projects considered for this source of funding. Luis Mendez stated that the project was discussed with the RTC Washington Assistant and based on the criteria and the need to obligate the funds in this Federal Fiscal Year the Rail Acquisition Project seems to be the best fit for these funds. He also stated that the RTC staff just became aware of the availability of funds under this program. The application will be completed in house in collaboration with CalTrans and the RTC's Washington DC assistant.

The staff recommendation and Resolution were approved unanimously (Rivas, Schiffrin)

5-7. b2

11. Transportation Funding Task Force – Draft Plan, Meeting Schedule and Appointment of a New Commissioner to the Task Force – Karena Pushnik presented the staff report.

Commission Beautz expressed concerned about the possibility of removing members of the task force without a process given that in assigning members an involved process was followed. She also stated that it seems unreasonable to expect all members to attend every single meeting. She stated that members probably did not realize how many meetings this would require.

Rahn Garcia, County Counsel stated that the discussion on the composition of the committee is not part of this agenda and that this discussion is not appropriate at this time. He recommended that the topic be put on the agenda for the next meeting. Andy stated that the recommendation from staff also asked for a discussion on how to improve attendance and so the discussion would be appropriate; however, he agrees with Rahn to put this discussion on hold for the next meeting.

Staff recommendation for Item 1 & 2 was accepted unanimously (Stone/Schiffirin)

Commissioner Pirie nominated Tony Campos as the RTC representative on the Transportation Funding Task Force (Schiffirin second). The nomination was passed unanimously.

To address the concerns regarding attendance and committee composition, staff was directed to include the Transportation Funding Task Force (TFTF) Committee composition discussion on the March 1 2007 RTC agenda. Staff was also directed to clearly state the recommendation to include the discussion on TFTF meeting attendance and the proposal to include alternates as part of the committee composition.

The Commission adjourned to closed session at 9:55 am.

Closed Session

12. Conference with Labor Negotiators Pursuant to Government Code 54957.6

Commission Negotiators: Ellen Aldridge and George Dondero

Bargaining Units: Mid-Management Unit and General Representation Unit

13. Conference with Real Property Negotiator for Acquisition of the Santa Cruz Branch Rail Line Property: Santa Cruz Branch Rail Line from Watsonville Junction to Davenport

Agency Negotiator: Kirk Trost, Miller, Owen & Trost

5-7.63

Negotiation Parties: SCCRTC, Union Pacific

Under Negotiation: Price and Terms

Open Session

The commission reconvened in open session at 11:05 am

14. Next Meetings / Adjournment

The meeting adjourned at 11:06 am

The next regular RTC meeting will be held **Thursday, March 1, 2007 at 9:00 a.m.** at the County Board of Supervisors Chambers, 701 Ocean Street, 5th Floor, Santa Cruz, CA.

The next Transportation Policy Workshop will be held **Thursday, March 15, 2007 at 9:00 a.m.** at the RTC Office, 1523 Pacific Avenue, Santa Cruz, CA.

Respectfully Submitted,

Yesenia Parra
Administrative Services Officer

\\RTCSERV1\Shared\TPW\TPW 2007\TPW0207\draftminutes0207.doc

5-7.64

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
AND
SERVICE AUTHORITY FOR FREEWAY EMERGENCIES

Minutes

Thursday,
March 1, 2007
9:00 a.m.

Board of Supervisors Chambers
701 Ocean Street
Santa Cruz CA 95060

1. Roll Call

Members Present: Jan Beautz Ellen Pirie
Dene Bustichi Emily Reilly
Tony Campos Antonio Rivas
Neal Coonerty Dale Skillicorn (Alt.)
Randy Johnson Pat Spence
Kirby Nicol Mark Stone
Dave Murray (ex-officio Alt.)

Staff Present: George Dondero Yesenia Parra
Luis Mendez Kim Shultz
Kim Shultz Cory Caletti

2. Oral Communications

Commissioner Rivas announced that the first bridge along Harkins Slough Road has been completed and is now open and that the second bridge will be open soon.

Commissioner Campos thanked Executive Director Dondero for all his work in securing \$16.2 million in funding for the Soquel to Morrissey Auxiliary Lanes project and for the respect he commands in Sacramento. He added that he is expecting a phone call and may need to leave for a few minutes, at which time the vice-chair will preside at the meeting.

3. Additions or Deletions to Consent and Regular Agendas

Executive Director George Dondero noted add-on pages for Item 29 and a handout from Nolte Associates for Item 27.

5-7.c1

CONSENT AGENDA (Nicol/Beautz)

4. Approved Minutes of the January 11, 2007 Regular SCCRTC Meeting, as amended to reflect that Commissioner Spence's motion on Item 21.1 was to approve the appointment of Virginia Butz to the Elderly and Disabled Transportation Advisory Committee and postpone the second staff recommendation.

Ms. Spence also noted that she left the January meeting at approximately 12:30 p.m. after the conclusion of Item 27.

5. Approved Minutes of the February 15, 2007 Transportation Policy Workshop Meeting

POLICY

No Consent Items

PROJECTS and PLANNING

6. Accepted FY 06-07 Second Quarter SCCRTC Work Program Report
7. Accepted Information Regarding 2007 Transportation Research Board Annual Meeting and Meetings with Federal Legislators
8. Approved Staff Recommendation Regarding Taxi Regulation in Santa Cruz County

COMMISSION BUDGET AND EXPENDITURES

9. Approved Staff Recommendation Regarding Sale of RTC Van and Purchase of a Replacement Hybrid Vehicle (Resolution 44-07)
10. Accepted Quarterly Status Report on Transportation Development Act (TDA) Revenues
11. Accepted FY05-06 Fiscal Audit for the SCCRTC (enclosed separately for Commissioners)

ADMINISTRATION

No Consent Items

COMMITTEE MINUTES

12. Accepted Draft Minutes of the December 11, 2007 Bicycle Committee Meeting

5-7.c2

13. Accepted Draft Minutes of the January 18, 2007 Interagency Technical Advisory Committee Meeting
14. Accepted Draft Minutes of the February 8, 2007 Budget and Administration/Personnel Committee Meeting
15. Accepted Draft Minutes of the February 13, 2007 Elderly and Disabled Transportation Advisory Committee Meeting

INFORMATION/OTHER

16. Accepted Monthly Meeting Schedule
17. Accepted SCCRTC Staff Comment Letters on Draft Environmental Documents and Plans Prepared by Other Agencies
 - a. Quarterly Report on Environmental Document Review
 - b. Letter from Staff regarding Monterey Bay Sanctuary Scenic Trail Master Plan
18. Accepted Correspondence Log
19. Accepted Letters from SCCRTC Committees and Staff to Other Agencies
 - a. Letter from Interagency Technical Advisory Committee Regarding Draft State-Local Partnership Program Guidelines
 - b. Letter from Interagency Technical Advisory Committee Regarding Federal Highway Administration Policy Change Regarding State Authorized Projects
 - c. Letter from Elderly and Disabled Transportation Advisory Committee regarding TDA Allocation Request
 - d. Letter from Elderly and Disabled Transportation Advisory Committee Regarding Monterey County's Monterey Bay Sanctuary Scenic Trail Master Plan
20. Accepted Miscellaneous Written Comments from the Public on SCCRTC Projects and Transportation Issues
21. Accepted Handouts from Staff and Commissioners at Previous Regional Transportation Commission Meetings
22. Accepted Information Items
 - a. AMBAG Blue Print Amendment
 - b. "Report Proposes Taxes to Finance State's Road Fixes" January 27, 2007 Article from the San Francisco Examiner

5-7.23

c. Santa Cruz Sentinel Opinion of February 20, 2007 on Need for a Gas Tax Hike

SERVING AS THE SERVICE AUTHORITY FOR FREEWAY EMERGENCIES (SAFE)

No Consent Items

REGULAR AGENDA

23. Commissioner Reports -- None

24. Director's Report

Executive Director George Dondero reported that he and Senior Planner Kim Shultz attended the annual Transportation Research Board (TRB) meeting in Washington D.C. at the end of January. He said he traveled with Commissioners Campos and Pirie to Sacramento to meet with legislative assistants John Arriaga and Steve Schnaidt; various state representatives and their staffs; and with California Transportation Commission (CTC) staff on February 14th. On February 23rd he and Chris Metzger of Nolte Associates met with senior Caltrans representatives in San Luis Obispo to discuss new ideas for the Highway 1 corridor, including sustainable design and construction practices, and bike lanes where appropriate. Mr. Dondero added that he attended the CalCOG meeting in Sacramento on February 26th where there was much discussion regarding funding for planning and regional blue prints. He said that CalCOG is drafting a policy position document and that he will bring a written report to the next meeting.

25. Caltrans Report

Dave Murray, Caltrans District 5, said that the Caltrans reports were up to date and referred to the response to questions raised at the previous meeting.

Commissioner Johnson asked if the Highway 1/17 project is coming in within costs. Mr. Murray responded that Caltrans Project Manager Luis Duazo will make a presentation to the RTC at the Transportation Policy Workshop explaining the need for the additional funding and that a request for approximately \$5.5 million will be coming to the Commission.

5-7.c4

26. SCCRTC Committee Appointments - Oral Report by Commission Chair

Chair Campos appointed all of the Board of Supervisors and Commissioner Rivas to the Budget and Administration/Personnel Committee, so that the composition of the 2007 Committee is Commissioners Beautz, Campos, Coonerty, Pirie, Rivas and Stone.

Chair Campos appointed all of the Board of Supervisors to the Rail Acquisition Committee (RAC) and after determining that there were seven positions on the RAC, added Commissioners Nicol and Bustichi.

Commissioner Beautz moved and Commissioner Rivas seconded to approve the appointments. The motion passed unanimously.

27. Highway 1 Projects Update and Quarterly Progress Report on the Highway 1 HOV and Auxiliary Lane Projects - Oral Presentation by Chris Metzger, Nolte and Associates

Chris Metzger, Nolte Associates, said that work on the HOV Lanes project was proceeding well and that the Project Development Team identified sections for reduced geometry for both median and shoulder areas. He said that all the interchange configurations were resolved except for the Soquel interchange.

Commissioners discussed the administrative environmental review which will be submitted to Caltrans in late spring of this year, how additional park and ride lots will be determined and if costs for sections between interchanges will be broken out for individual analysis.

Commissioner Spence asked that copies of materials presented by Nolte on display boards be given to the Commissioners.

Parag Mehta, Nolte Associates, continued the presentation focusing on the Auxiliary Lane project. He said that much of the information gathered for the HOV Lanes project would be used and that a Notice to Proceed was received in January 2007. He reviewed the project schedule, saying that the final environmental document was anticipated for approval by early 2009.

5-7.e5

Commissioner Pirie moved and Commissioner Beautz seconded to accept the report. The motion passed unanimously.

28. Article 8 Transportation Development Act (TDA) Allocation Requests from the City of Santa Cruz

Senior Planner Cory Caletti briefly reviewed the allocation requests. She introduced Santa Cruz City Assistant Public Works Director Chris Schneider to provide details.

Commissioner Spence asked several questions regarding accessibility for the San Lorenzo River Trestle Bridge Connection project. Mr. Schneider responded with a detailed description of accessibility features.

Commissioner Nicol moved and Commissioner Reilly seconded to approve the Bicycle Committee, the Elderly and Disabled Transportation Advisory Committee and staff recommendations that the Regional Transportation Commission approve a resolution approving the City of Santa Cruz's FY 2006/2007 Transportation Development Act (TDA) Article 8 allocation requests for \$126,000 and an additional \$18,364 for the bicycle and pedestrian projects.

A roll call vote was taken and the motion (Resolution 45-07) passed unanimously.

29. Corridor Mobility Improvement Account (CMIA)

Executive Director George Dondero said that after reconsideration by the California Transportation Commission (CTC), the CMIA funding request for the Highway 1 Morrissey Boulevard-Soquel Avenue Auxiliary Lanes Project will be fully funded. He referred to the handout which indicated both the letter that the RTC sent to the CTC requesting funding in addition to what was awarded by the CTC on February 16th and the list of projects funded statewide that confirmed funding for the Santa Cruz project.

Mr. Dondero said that the last two CTC meetings were very contentious because so many areas were competing for limited funding. He said that the state made it clear that it would never be able to fund all the transportation projects needed statewide and recommended sales tax measures, especially for smaller counties competing for state dollars. He thanked Commissioners and SCCRTC staff, especially Senior Planners Kim Shultz and Rachel Moriconi,

5-7.06

for their diligence in pursuing funding for the project.

In response to a question from Commissioner Pirie, Director Dondero said that the CTC reconsidered its position after realizing that projects which were qualified for funding but received only partial funding were in danger of failing and made a policy decision to revise its previous determination and fully fund certain projects, including the Santa Cruz project.

Commissioners thanked Mr. Dondero and the RTC staff for their work and expressed delight that the project will be able to move forward.

30. Transportation Funding Task Force - Membership

Task Force Convener Fred Keeley explained that some of the entities designated by the Commission at the outset of the Task Force have not been able, or in some cases willing, to participate. He stated that staff has emailed, written and telephoned every member on the Task Force to remind them that there is a draft plan and to remind them of the meetings. Mr. Keeley said that the need to reach a 2/3 consensus on a plan was being hindered by the non-participation of approximately a dozen entities and that members who consistently participated were frustrated that the ability to proceed could be nullified by what was tantamount to a "no" vote by the non-participants.

Commissioner Pirie agreed that there should not be members on the Task Force who are not participating, but expressed concerns with appointing alternates since they would not have the history of discussions prior to their appointments and may not be "up to speed" when making decisions.

Senior Planner Karena Pushnik reported that there are eight entities that have expressed that they are not interested in participating and additional members who have not responded to repeated calls and emails from staff.

Commissioners requested that the list of the entities that are not responding be brought to the Transportation Policy Workshop (TPW).

Commissioner Stone asked if the organizations that appointed members who were not attending were contacted or if the resignations received were coming from the

individual appointee and not from the appointing entity.

Ms. Pushnik addressed the resignation method of each of the eight entities in question.

Commissioner Campos said he will follow-up with Salud Para La Gente since they are going through a re-organization and suggested that Commissioner Rivas contact the Watsonville members of the Monterey chapter of the League of Latin American Citizens (LULAC) to see if either entity can appoint replacement members.

Commissioners discussed how members who do not attend the meetings affect the Task Force, whether new appointees would be able to become informed enough to fully participate, whether to support the recommendation for alternates and how to address the requests of two people who would like to be appointed to the Task Force.

Commissioner Nicol and Commission Alternate Skillicorn agreed that this process has been going on for two years and that everyone who wanted to participate would have done so by now and recommended that the Commission support the staff recommendation.

Bob Begun said that the TFTF does not need to vote on the draft plan because the vote is not representative anyway.

Bonnie Morr supported the staff recommendations because those who regularly attend the Task Force meetings are hindered from moving forward due to those who do not attend.

Commissioner Spence left the meeting at 11:09.

Commissioner Pirie moved to approve modified staff recommendations, that the Regional Transportation Commission (RTC):

1. Remove five of the eight Transportation Funding Task Force (TF Task Force) positions from membership and consider the removal of additional members after receiving information regarding the results of phone calls to TF Task Force members;

5-7.08

2. Determine that TF Task Force memberships be automatically removed, if written resignations are received from the corresponding member entity;
3. Allow Transportation Funding Task Force entities to designate and send alternates to meetings if their main representative is unavailable; and
4. Direct staff to bring the issue back to the Transportation Policy Workshop meeting for further consideration.

Commissioner Beautz seconded and the motion passed unanimously.

Commissioner Beautz asked that extra meeting dates be listed just in case they are needed. Convener Keeley said that it is possible that two or three additional meetings will be needed and that this issue will be addressed at the meeting tonight.

31. Video of Highway 1/17 Merge Lanes Project Produced by Commissioner Randy Johnson

Staff showed a clip of a public information video that Commissioner Johnson produced for Community Television in response to questions he was hearing from the community about the Highway 1/17 Merge Lanes project.

CLOSED SESSION - Removed from Agenda

32. Conference with Labor Negotiators Pursuant to Government Code 54957.6

Commission Negotiators: Ellen Aldridge and George Dondero

Bargaining Units: Mid-Management Unit and General Representation Unit

33. Conference with Real Property Negotiator for Acquisition of the Santa Cruz Branch Rail Line Property: Santa Cruz Branch Rail Line from Watsonville Junction to Davenport

Agency Negotiator: Kirk Trost, Miller, Owen & Trost

Negotiation Parties: SCCRTC, Union Pacific

Under Negotiation: Price and Terms

5-7.09

OPEN SESSION

34. Next Meetings/Adjournment

The next Transportation Policy Workshop is scheduled for Thursday, March 15, 2007 at 9:00 a.m. at the SCCRTC Offices, 1523 Pacific Avenue, Santa Cruz, CA.

The next SCCRTC meeting is scheduled for Thursday, April 5, 2007 at 9:00 a.m. at the Board of Supervisors Chambers, 701 Ocean Street, 5th Floor, Santa Cruz, CA.

Respectfully submitted,

Gini Pineda, Staff

ATTENDEES

| | |
|-----------------|---------------------------------|
| Chris Schneiter | City of Santa Cruz Public Works |
| Sandra Coley | PVTMA |
| Les White | SCMTD |
| Bonnie Morr | UTUL ocal 23 |
| John Presleigh | County Public Works |
| Parag Mehta | Nolte Associate |
| Chris Metzger | Nolte Associates |

Santa Cruz County Regional Transportation Commission (SCCRTC)

REGIONAL TRANSPORTATION COMMISSION
Transportation Policy Workshop

MINUTES

Thursday, March 15, 2007
9:00 am
SCCRTC Conference Room
Santa Cruz, CA 95060

Members Present: Jan Beautz Emily Reilly
 Gustavo Gonzalez (Alt.) Andy Schiffrin (Alt.)
 Randy Johnson Pat Spence
 David Koch (Alt.) Mark Stone
 Kirby Nicol Marcela Tavantzis
 Ellen Pirie
 Tim Gubbins (Alt. ex-officio)

Member Absent: Dene Bustichi

1. Introductions
2. Oral Communications

Executive Director George Dondero reported on the Bike Committee Workshop held on Saturday March 10th.

3. Additions/Deletions to the Agenda

Executive Director Dondero pulled Item 9 from the Agenda and announced that there would be no Closed Session.

Consent Agenda (Pirie/Reilly)

4. Approved Budget and Administration/Personnel Committee and Staff Recommendations Regarding Job Classifications and Re-Classification
- 4.1 Approved Schedule and Procedure for Annual Performance Review of the RTC Executive Director

Commissioner Spence asked that the evaluation form for the Executive Director be provided electronically. Executive Director Dondero said that he would email the form to all the Commissioners.

Regular Agenda

5. Draft Fiscal Year (FY) 07-08 RTC Budget and Work Program

Deputy Director Luis Mendez presented the staff report regarding the FY07-08 Budget and Work Program including Transportation Development Act (TDA) revenues and allocations, anticipated new revenues, Commission reserves, staff positions and the continuation of the temporary full time transportation planner position.

Commissioners asked for clarification of specific line items, allocations to local jurisdictions, carryovers from FY06-07 and the difference between TDA revenues received and forecasted.

Mr. Mendez responded to the Commissioners' questions and said that the FY06-07 carryovers will be known when the Commission makes its annual budget amendment in the fall.

Bonnie Morr asked if the allocation for Community Bridges was adjusted properly, saying that the agency has lost rides for Medical recipients and transportation for Elderday will soon stop. Mr. Mendez said that the allocation is based on a formula articulated in the Commission's Rules and Regulations. Senior Planner Karena Pushnik added that staff received information saying that the Alliance for Health is cutting its services dramatically, so there may be an increased need for Community Bridges to provide rides. She said that the TDA claim will be monitored closely when it is presented to the Commission for funding.

Commissioner Tavantzis said that she is uncomfortable with the amount of money spent on the Rideshare program, especially on the carpool component. Executive Director Dondero said that there is a report being prepared on all Transportation Demand Management (TDM) programs and that staff will come back with an analysis of these programs.

Commissioner Beautz asked for the statistics presented by an attendee at a Transportation Funding Task Force meeting that indicated that carpool ridership was not increasing.

Commission Alternate Schiffrin moved and Commissioner Reilly seconded to approve the Budget and Administration/Personnel (B&A/P) Committee and staff recommendations that the Regional Transportation Commission (RTC):

1. Approve a resolution adopting the FY07-08 Budget and Work Program; and
2. Extend the current temporary planner position for one year through the end of FY 07-08 due to the additional work required for the Highway 1 HOV Lanes project, the Soquel to Morrissey Auxiliary Lanes project and other projects.

The motion (Resolution 46-07) passed unanimously.

5-7.d2

6. HWY 1/17 Cost Interchange Merge Lane Project Cost Increases

Executive Director George Dondero introduced representatives from Caltrans to explain the cost increases for the Highway 1/17 Merge Lanes Project.

Caltrans Senior Resident Engineer Siobhan Saunders gave a PowerPoint presentation illustrating the obstacles, which were discovered after construction of the Highway 1/17 Merge Lanes Project had begun, that caused the cost increases. One unanticipated obstacle was buried man-made objects, such as concrete ribs across the creek bed at Market Street. Ms. Saunders said that these had to be removed before the October 15th deadline in order to comply with environmental permits. Another issue was rock slope protection which required removing buried layers of concrete bags and pumping water from the creek around the job site so that heavy machinery could access the areas that needed to be fortified. Problems with pile casings presented a major challenge when it was discovered that the length of the casings originally planned was not great enough to provide the necessary support for the bridge abutments. It was discovered that welding additional lengths of casings was too costly to solve the problem. Other problems included unsuitable materials at both abutments and medians and conflicts with underground utilities such as gas and water lines that were not identified on the original plans.

Commissioner Reilly asked if the rock slope protection using the layers of sandbags had been originally installed by Caltrans and if these would be found further along the Highway 1 corridor. Ms. Saunders said she would investigate the issue.

Commissioners discussed the problems with the pile casings at length including the methods used by the engineers to determine how deep a foundation was necessary and what solutions were being proposed.

Commissioner Reilly noted that costs had increased 30% since 2005.

Commissioners asked Caltrans Deputy District 5 Director Tim Gubbins to validate the agency's negotiating procedures regarding change orders and to explain why Proposition 42 funds were not being passed on to local jurisdictions. Commissioner Beautz asked for a report on the disbursement of Proposition 42 funds.

Commissioners requested information about design exceptions for the Branciforte Bridge that could provide a possible cost savings.

Executive Director Dondero said that he and the Project Development Team would be taking a field trip in the near future to physically examine the project site. It was noted that Caltrans is keeping Commission staff informed on the problems.

Commissioners suggested peer review of the project cost increases using the Commission's on-call engineer and the Interagency Technical Advisory Committee (ITAC) and expressed concern that the need for pile extensions and discovery of unsuitable materials were a surprise to Caltrans, since test borings had been drilled at various locations along the project to identify potential problems.

5-7.d3

Commissioner Beutz asked for a report on all the crossings planned for the Highway 1 HOV Widening Project, saying that if Caltrans design exceptions could allow the Branciforte Bridge to be left intact, perhaps the other bridges could be left intact and project costs lowered.

Commission Alternate Schiffrin moved to continue the item to the April RTC meeting and to ask staff to provide information on the issues raised today, an evaluation of Option B (to deny Caltrans' request for additional funding), further evaluation and comment on proposed change orders and, if necessary and feasible, to arrange for peer review of the project. Commissioner Pirie seconded.

Bruce Sawhill said that cost overruns are predictable, partly due to the nature of the bid process.

The motion passed unanimously.

7. Transportation Funding Task Force-Membership Update

Senior Planner Karena Pushnik referred to the updated Transportation Funding Task Force roster noting the status column that indicated which members are no longer interested in participating and who will designate new representatives.

Commissioner Beutz said that the position for Auto Advocate, Driver at Large, South County should be left open since it was an RTC appointment. Commissioner Pirie said she would find someone to fill the position.

Commission Alternate Schiffrin moved and Commissioner Pirie seconded to accept the updated roster and to delete the Felton Business Association from the membership but to leave the position of Auto Advocate open for a new appointment.

The motion passed unanimously.

8. Draft 2006 Regional Transportation Improvement Program (RTIP) Augmentation

SCCRTC Planner Grace Blakeslee presented the staff report and noted that the recommendation of the Highway 1 Bike/Pedestrian Bridge near Mar Vista project was considered "conditional" due to the cost overruns associated with the Highway 1/17 Merge Lanes Project.

Commissioners expressed several concerns with the preliminary draft staff recommendations, including:

1. Separating elements, such as the Mar Vista Bicycle and Pedestrian Bridge, from the Highway 1 HOV Lanes project especially before completion of the final design;
2. Estimated cost for the Mar Vista Bicycle and Pedestrian Bridge;
3. Exclusion of the Highway 1/9 intersection improvements; and,

5-7.d4

4. Need of a full Project Study Report (PSR) for the Mar Vista Bicycle and Pedestrian Bridge.

Staff will provide more information on the estimated cost for the Mar Vista Bicycle and Pedestrian Bridge.

Commission Alternate Schiffirin moved and Commissioner Beautz seconded to approve the staff recommendations that the Regional Transportation Commission:

1. Review the preliminary draft staff recommendations for programming projected State Transportation Improvement Program (STIP), Congestion Mitigation and Air Quality Improvement Program (CMAQ), and Regional Surface Transportation Program (RSTP) funds and proposed amendments to other projects;
2. Notify staff if additional information is needed on any of the recommendations; and
3. Schedule a public hearing for the April 5, 2007 RTC meeting to receive public input on and approve amendments to the *Regional Transportation Improvement Program (RTIP)*.

The motion included that staff return to the Commission with the information requested by Commissioners during discussion of the item.

9. Social Security Referendum – Removed from Agenda
10. Review of Items to be Discussed in Closed Session
11. Oral and Written Communications Regarding Closed Session

Closed Session – Removed from Agenda

12. Conference with Labor Negotiators Pursuant to Government Code 54957.6

Commission Negotiators: Ellen Aldridge and George Dondero

Bargaining Units: Mid-Management Unit and General Representation Unit

13. Conference with Real Property Negotiator for Acquisition of the Santa Cruz Branch Rail Line Property: Santa Cruz Branch Rail Line from Watsonville Junction to Davenport

Agency Negotiator: Kirk Trost, Miller, Owen & Trost

Negotiation Parties: SCCRTC, Union Pacific

Under Negotiation: Price and Terms

5-7.d5

Open Session

- 14. Report on Closed Session
- 15. Next Meetings / Adjournment

The meeting adjourned at 11:25 am.

The next regular RTC meeting will be held **Thursday, April 5, 2007 at 9:00 a.m.** at the County Board of Supervisors Chambers, 701 Ocean Street, 5th Floor, Santa Cruz, CA.

The next Transportation Policy Workshop will be held **Thursday, April 20, 2007 at 9:00 a.m.** at the RTC Office, 1523 Pacific Avenue, Santa Cruz, CA.

Respectfully submitted,

Gini Pineda, Staff

ATTENDEES

| | |
|------------------|--------------------------------|
| Luis Duazo | Caltrans |
| Siobhan Saunders | Caltrans |
| Tim Gubbins | Caltrans |
| Bob Begun | Alternate for City of Capitola |
| Bonnie Morr | UTU |
| Sandra Coley | PVTMA |
| Bruce Sawhill | |
| Bob Yount | |
| Chris Schneiter | City of Santa Cruz |
| Lisa Hochstein | |
| Bill Comfort | |
| Jose Herrera | UTU |
| Ed Oberweiser | People Power |
| Corrinne Hyland | CTSC |
| Teresa Rogerson | CTSC |


5-7.d6

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

NOTICE OF ACTION TAKEN IN CLOSED SESSION MEMORANDUM

DATE: April 13, 2007

TO: Board of Directors

FROM: Margaret  Gallagher, District Counsel

SUBJECT: Notification Of Action Taken In Closed Session Regarding The Following Claim:
Settlement with Carlos Carrera

Settlement with Carlos Carrera

On December 9, 2005 in closed session the Board of Directors authorized a full and final settlement of the above matter. Motioned by Director Stone, Seconded by Director Hinkle, the following Directors authorized the final settlement: Beautz, Bustichi, Hinkle, Keogh, Nicol, Skillicorn, Spence, Stone and Tavantzis. Pursuant to this direction, this claim was settled by way of Compromise and Release in the sum of \$8,000.00 and the file has been closed.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: April 27, 2007

TO: Board of Directors

FROM: Mark J. Dorfman, Assistant General Manager

**SUBJECT: RECOMMENDATION TO APPROVE ASSESSMENT FOR
COOPERATIVE RETAIL MANAGEMENT DISTRICT**

I. RECOMMENDED ACTION

The purpose of this communication is to request approval for the assessment on property owners for the support of the Cooperative Retail Management District in Downtown.

II. SUMMARY OF ISSUES

- The District owns property in the Downtown area that is subject to an assessment for the Downtown Host Program.
- The assessment needs to be renewed for the fiscal year.
- Total cost to the District for the assessment is \$2,547.76, no increase from last year.

III. DISCUSSION

The District recently received correspondence from the City of Santa Cruz regarding the Cooperative Retail Management Business Real Property Improvement District. Since the District owns property in the downtown area, there is an assessment that is being requested for the coming fiscal year. This assessment funds the Downtown Host Program.

It is recommended that the District support the continued assessment of the levy for this important Downtown project. Total funds for this assessment amount to \$2,547.76.

IV. FINANCIAL CONSIDERATIONS

There are two assessments for property owned by the District, one for \$1,797.76 and one for \$750.00, for a total of \$2,547.76.

V. ATTACHMENTS

Attachment A: Letters from City of Santa Cruz

5-9.1



Attachment **A**

CITY CLERK'S DEPARTMENT
809 Center Street, Room 9, Santa Cruz, CA 95060 • 831 420 5030 • Fax 831 420 5031 • www.ci.santa-cruz.ca.us

**CITY COUNCIL
CITY OF SANTA CRUZ
NOTICE OF PUBLIC MEETING AND HEARING**

March 28, 2007

Santa Cruz Metropolitan Transit District
370 Encinal Street, #100
Santa Cruz, CA 95060-2101

Dear Santa Cruz Property Owner:

**RE: Assessor Parcel Number ("APN"): 05-152-05
912 Pacific Avenue**

NOTICE IS HEREBY GIVEN that the City Council of the City of Santa Cruz will hold a public meeting to consider: 1) the annual report for FY 2008 prepared by the advisory board to the Cooperative Retail Management (CRM) Business Real Property Improvement District; and, 2) the adoption of a Resolution of Intention to levy an assessment for the period July 1, 2007 through June 30, 2008 for the District and a public hearing to consider the levy of an annual assessment for the District.

The amount of the proposed annual assessment on the entire district will be \$118,503.42. The rate of business promotion assessment shall be imposed on business property owners according to the formulas set forth below:

1. Properties located on Pacific Avenue between Laurel Street and Mission/Water Street shall be assessed \$15.00 per linear foot of property on Pacific Avenue.
2. Properties between Cedar and Front Streets and located on Soquel Avenue; Locust, Cooper, Church, Walnut, Lincoln, Cathcart, Elm and Maple Streets; Plaza, Locust, Commerce, Elm and Birch Lanes; Pearl Alley; Lincoln-Cathcart and Pacific-Front alleyways shall be assessed \$12.00 per linear foot of property on the above-mentioned side streets and alleyways.

The purpose of the assessment is to fund the Downtown Host Program created to enhance safety and security and improve public perceptions of the district. The assessment will also be used to review the need for, and establishment of, common hours for retail merchants and maintenance of private property within the district.

5-9.a1

**Santa Cruz Metropolitan Transit District
Notice of Public Hearing- Page 2**

The amount of the proposed annual assessment for APN 05-152-05 is set forth below:

| | |
|--|-----------------|
| Pacific Avenue footage: 50.00 x \$15.00 | \$750.00 |
| Side street or alleyway footage: 0.00 feet x \$12.00/linear foot | \$0.00 |
| TOTAL Assessment for Fiscal Year 2008: | \$750.00 |

Properties with frontage on both Pacific Avenue and a side street or alley will only be assessed an additional fee for the side street or alley frontage where a separate business uses the side street or alley as its main entrance.

A public meeting regarding the consideration of the Annual Report and adoption of a Resolution of Intention to levy an annual assessment will be held on **Tuesday, April 24, 2007**, after the hour of 3:00 p.m. If the Resolution of Intention is adopted, a public hearing will be held on **Tuesday, May 22, 2007**, after the hour of 3:00 p.m., at which time the Council will decide the amount of the assessments to be levied. Both public meetings will be held in the Council Chambers, City Hall, 809 Center Street, Santa Cruz, California. Copies of the Annual Report/Plan Work Program, and Budget are available in the City Clerk's office at 809 Center Street, Room 9, Santa Cruz, California or at the Economic Development and Redevelopment Department's office at 337 Locust Street, Santa Cruz, California, or may be viewed on the EDRD web page at www.ci.santa-cruz.ca.us/vra.

If the Resolution of Intention is adopted, property owners in the proposed assessment district may file written protests in the City Clerk's office between April 24, 2007 and May 22, 2007 before the close of the public hearing. If protests are submitted by property owners representing 50% or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than 50%, no further proceedings to create the district shall be taken for at least one year. If the Resolution of Intention is not adopted, the May 22, 2007 public hearing will be cancelled. All interested persons are invited to present their oral or written statements at these hearings.

Further information is available from the City Economic Development and Redevelopment Department, 337 Locust Street, Santa Cruz, California, (831) 420-5150.

Leslie Cook

LESLIE COOK, City Clerk
City of Santa Cruz



CITY CLERK'S DEPARTMENT
 809 Center Street, Room 9, Santa Cruz, CA 95060 • 831 420-5030 • Fax 831 420-5031 • www.ci.santa-cruz.ca.us

**CITY COUNCIL
 CITY OF SANTA CRUZ
 NOTICE OF PUBLIC MEETING AND HEARING**

March 28, 2007

Santa Cruz Metropolitan Transit District
 370 Encinal Street, #100
 Santa Cruz, CA 95060

Dear Santa Cruz Property Owner:

**RE: Assessor Parcel Number ("APN"): 05-152-31
 920 Pacific Avenue**

NOTICE IS HEREBY GIVEN that the City Council of the City of Santa Cruz will hold a public meeting to consider: 1) the annual report for FY 2008 prepared by the advisory board to the Cooperative Retail Management (CRM) Business Real Property Improvement District, and, 2) the adoption of a Resolution of Intention to levy an assessment for the period July 1, 2007 through June 30, 2008 for the District and a public hearing to consider the levy of an annual assessment for the District.

The amount of the proposed annual assessment on the entire district will be \$118,503.42. The rate of business promotion assessment shall be imposed on business property owners according to the formulas set forth below:

1. Properties located on Pacific Avenue between Laurel Street and Mission/Water Street shall be assessed \$15.00 per linear foot of property on Pacific Avenue
2. Properties between Cedar and Front Streets and located on Soquel Avenue; Locust, Cooper, Church, Walnut, Lincoln, Cathcart, Elm and Maple Streets; Plaza, Locust, Commerce, Elm and Birch Lanes; Pearl Alley; Lincoln-Cathcart and Pacific-Front alleyways shall be assessed \$12.00 per linear foot of property on the above-mentioned side streets and alleyways

The purpose of the assessment is to fund the Downtown Host Program created to enhance safety and security and improve public perceptions of the district. The assessment will also be used to review the need for, and establishment of, common hours for retail merchants and maintenance of private property within the district.

5-9. a3

**Santa Cruz Metropolitan Transit District
Notice of Public Hearing-- Page 2**

The amount of the proposed annual assessment for APN 05-152-31 is set forth below:

| | |
|--|-------------------|
| Pacific Avenue footage: 119.85 x \$15.00 | \$1,797.76 |
| Side street or alleyway footage: 0.00 feet x \$12.00/linear foot | \$0.00 |
| TOTAL Assessment for Fiscal Year 2008: | \$1,797.76 |

Properties with frontage on both Pacific Avenue and a side street or alley will only be assessed an additional fee for the side street or alley frontage where a separate business uses the side street or alley as its main entrance.

A public meeting regarding the consideration of the Annual Report and adoption of a Resolution of Intention to levy an annual assessment will be held on **Tuesday, April 24, 2007**, after the hour of 3:00 p.m. If the Resolution of Intention is adopted, a public hearing will be held on **Tuesday, May 22, 2007**, after the hour of 3:00 p.m., at which time the Council will decide the amount of the assessments to be levied. Both public meetings will be held in the Council Chambers, City Hall, 809 Center Street, Santa Cruz, California. Copies of the Annual Report/Plan Work Program, and Budget are available in the City Clerk's office at 809 Center Street, Room 9, Santa Cruz, California or at the Economic Development and Redevelopment Department's office at 337 Locust Street, Santa Cruz, California, or may be viewed on the EDRD web page at www.ci.santa-cruz.ca.us/ra.

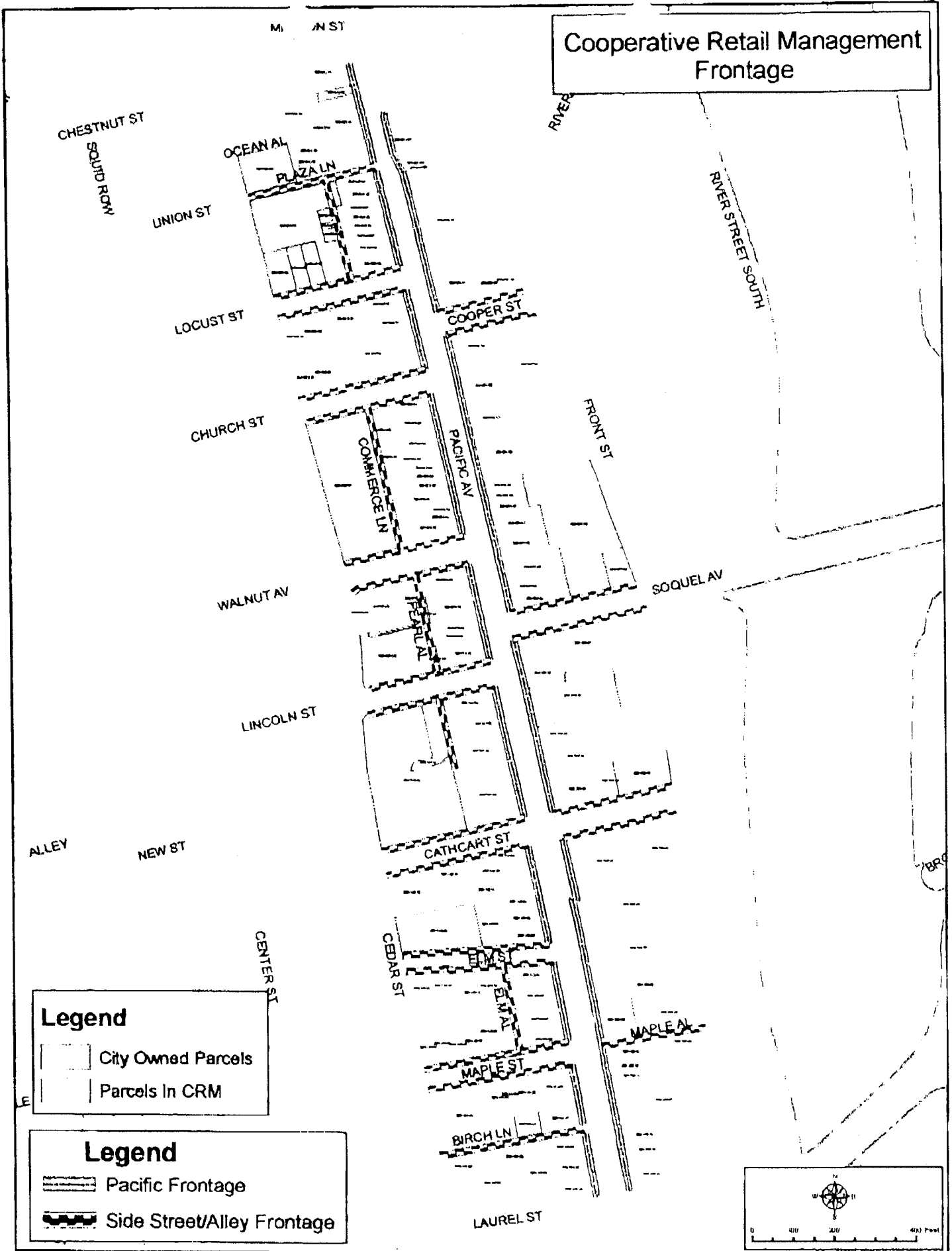
If the Resolution of Intention is adopted, property owners in the proposed assessment district may file written protests in the City Clerk's office between April 24, 2007 and May 22, 2007 before the close of the public hearing. If protests are submitted by property owners representing 50% or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than 50%, no further proceedings to create the district shall be taken for at least one year. If the Resolution of Intention is not adopted, the May 22, 2007 public hearing will be cancelled. All interested persons are invited to present their oral or written statements at these hearings.

Further information is available from the City Economic Development and Redevelopment Department, 337 Locust Street, Santa Cruz, California, (831) 420-5150.

Leslie Cook

LESLIE COOK, City Clerk
City of Santa Cruz

Cooperative Retail Management Frontage



5-9.a5

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

STAFF REPORT

DATE: April 27, 2007
TO: Board of Directors
FROM: Margaret Gallagher, District Counsel
SUBJECT: **CONSIDERATION OF MODIFICATIONS TO THE SANTA CRUZ METRO'S BYLAWS INCLUDING REFORMATTING THE REGULAR BOARD MEETINGS, AND ADDING LANGUAGE TO REQUIRE DIRECTORS TO FOLLOW CALIFORNIA LAW RE CONFLICTS OF INTEREST AND OTHER MINOR CHANGES**

I. RECOMMENDED ACTION

Adopting the modified Bylaw Resolution which is contained in Attachment D

II. SUMMARY OF ISSUES

- At the February 23, 2007 regular meeting of the Santa Cruz METRO Board of Directors amended the Bylaws to eliminate MASTF as an Advisory Group, clarified how the mileage rate reimbursement would be calculated on an annual basis and updated "Metro Center" language to "Pacific Station".
- At the March 9, 2007 regular meeting, the Board of Directors discussed the possibility of reformatting the Board's regular meetings to be stand alone, independent meetings whose agendas are not interdependent with the caveat that the first monthly meeting agenda would review known agenda items for the second meeting. This would require certain modifications to the Board's Bylaws.
- The Board of Directors discussed the issue of Conflicts-of-Interest and whether the Bylaws should be modified to include specific language regarding what a Director must do when a conflict is declared. The Chair asked that the issue be revisited at a subsequent meeting.
- A question also arose during the regular meeting on March 23, 2007, regarding whether METRO could streamline the process when a Director moves for passage of a Resolution that is on the regular agenda by unanimous voice vote rather than by roll call.

III. DISCUSSION

Reformatting Regular Meetings: At the March 9, 2007, regular meeting, the METRO Board of Directors discussed reformatting the regular meetings to be stand alone, independent meetings whose agendas are not interdependent. METRO is unique among public agencies because it currently has two regular meetings a month in which the same agenda items are reviewed and considered. At the first meeting, the agenda items are generally reviewed in a workshop format in which questions and issues are raised but no action is taken and no final decisions are made.

At the second monthly meeting, held two weeks later, the agenda items (generally from the first meeting) are discussed and decided. Additionally, new items are added to the second meeting, which have not been reviewed at the first meeting. Further, from time to time some of the first meeting items are modified or even deleted from the second meeting agenda.

At the March 9, 2007, meeting, Directors considered whether having two independent meetings a month with separate agendas would be in the METRO's best interests. While some Directors thought that this may reduce confusion, they also maintained that reviewing items that would be on the second agenda at the first meeting through an Agenda Review Process would be beneficial. The Agenda Review Process would provide Directors and the public with the opportunity to ask questions and obtain more information if necessary before the final decision was rendered at the second meeting. However, should this modification occur, METRO staff understand that while it is preferred that items to be decided at the second meeting be reviewed through the Agenda Review Process at the first meeting, it is not required. Further, Items scheduled on the Agenda Review Section of the first meeting agenda may not have corresponding staff reports. Therefore, if METRO staff is aware of an upcoming Item and the staff report is not complete the Item may still be on the Agenda Review section on the first meeting agenda.

Additionally, some Directors expressed that they did not want controversial or important major decisions to be agendaized for decision-making at the first meeting unless it was necessary due to time constraints on the matters.

Attachment A is a mock-up agenda for the April 13, 2007 meeting and Attachment B is a mock-up agenda for the April 27, 2007 regular meetings as if the meetings were occurring with the above proposals in effect. To bring about this change Section 1.01(b) of the Bylaws should be deleted and language regarding the Agenda Review Process should be added. Attachment D is the Bylaw Resolution with the modifications that would bring about the agenda changes as set forth above.

Conflict-of-Interests: At the February 23, 2007 regular meeting the Board of Directors discussed whether Section 13.03 of the Bylaws should be modified to require a Director who abstains from voting due to a conflict-of-interest to leave the meeting room. Section 13.03 provides that each Director has a duty to vote on matters that come before the Board of Directors unless a legal conflict-of-interest is declared pursuant to California law. The suggestion to modify Section 13.03 included inserting language where appropriate to require the Director declaring the conflict-of-interest to leave the meeting room. Another suggestion was to insert language requiring the Director to follow California law when declaring a conflict.

In reviewing whether the Bylaws should be amended with regard to Section 13.03, a review of the legal requirements regarding conflicts-of-interests is necessary. The general rule regarding conflict-of-interests is that public officials are prohibited from making, participating in or in any way attempting to use their official position to influence a governmental decision in which they know or have reason to know they have a financial interest. A public official has a conflict of interest if the decision will have a reasonably foreseeable material financial effect on one or more of his or her economic interests, unless that effect is not distinguishable from the effect on

the public generally. Under the rules adopted by the California Fair Political Practices Commission, deciding whether a financial conflict-of-interest exists is an eight-step process (Attachment C: Eight Step Outline). Once a conflict-of-interest is determined to exist, the Public Official has certain requirements that he/she must fulfill.

An official who has a conflict must, immediately prior to consideration of the decision:

- 1.) Publicly identify in detail the financial interest that causes the conflict (except that he/she need not disclose the street address of a residence);
- 2.) Recuse himself/herself from discussing and voting on the matter; and
- 3.) Leave the room until after the decision has been made, unless the matter is on the portion of the agenda reserved for uncontested matters (generally understood to mean the consent calendar).

The only exception is that the official may speak on a matter as a member of the general public during the period for public participation during the period for public participation regarding the matter. (According to Fair Political Practices Commissions' staff, this provision, which took effect January 1, 2003, is not intended to apply if an official's participation is legally required.) California law does not prevent a public official from making or participating in making a governmental decision to the extent the official's participation is "legally required" for the action or decision to be made.

A conflict-of-interest situation is a complex matter that requires review of the particular facts at issue. Depending on the circumstances, a Director may or may not be required to leave the room at the time that a conflict is declared. Therefore, it is not recommended that specific verbiage requiring a Director to leave the room be adopted. Section 13.03 currently contains language that a Director must declare any conflict of interest in accordance with California law. Further, irrespective of whether language requiring the Directors to follow California law is contained in the Bylaws, Directors must still follow the law. However, I have set forth language in Attachment D in Section 13.03 that the Board of Directors may wish to consider regarding this matter.

Resolution Passage: Finally, at the March 23, 2007 regular meeting a question arose regarding what specific language is required in order for a Director to move for the passage of a Resolution by a unanimous voice vote rather than by a recorded roll call vote. According to California law and METRO's Bylaws, the Board of Directors' actions are required to be by Motion, Resolution or Ordinance and no ordinance, resolution or motion shall have any validity or effect unless passed by the affirmative votes of a majority of the directors (Public Utilities 98133). The Bylaws establish further requirements regarding Resolutions as are set forth in Section 12.02 which require adoption of a Resolution by a roll call vote unless a routine Resolution is placed on the Consent Agenda and passed unanimously. If unanimity is not achieved the item is pulled from the Consent Agenda for a roll call vote. METRO's Bylaws also allow a Director to move for the passage of a Resolution by a unanimous voice vote in lieu of a roll call. Again, if unanimity is not recorded, a roll call vote is taken. METRO's enabling statute does not proscribe

a particular procedure in which a Resolution must be passed, therefore, because the Board of Directors is authorized by statute to establish rules and procedures for its meetings (Public Utilities Code 98132) it is recommended that a new section 12.02 be adopted which will allow for the passage of a Resolution by a motion if it proves to be unanimous. If the vote is not unanimous, then a roll call will be taken to officially record everyone's vote (See Attachment D with new language).

IV. FINANCIAL CONSIDERATIONS

None

V. ATTACHMENTS

- Attachment A:** Mock-up Agenda for April 13, 2007
- Attachment B:** Mock-up Agenda for April 27, 2007
- Attachment C:** Eight-Step Process for Determination of Conflicts-of- Interest
- Attachment D:** Proposed modifications to the Bylaws Resolution

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

BOARD OF DIRECTORS REGULAR MEETING AGENDA
APRIL 13, 2007 (Second Friday of Each Month)
SCMTD ENCINAL CONFERENCE ROOM
370 ENCINAL STREET, SUITE 100
SANTA CRUZ, CALIFORNIA
9:00 a.m. – 11:00 a.m.

THE BOARD AGENDA PACKET CAN BE FOUND ONLINE AT WWW.SCMTD.COM

NOTE: THE BOARD CHAIR MAY TAKE ITEMS OUT OF ORDER

SECTION I: OPEN SESSION - 9:00 a.m. ACTION ITEMS FOR 04/13/07 MEETING

1. ROLL CALL
2. ORAL AND WRITTEN COMMUNICATION
 - a. Jeffrey D. Bukowski, Stevens & Lee Re: RTCC Minutes Corrections
 - b. City of Capitola RDA Re: Public Hearing Notice
3. LABOR ORGANIZATION COMMUNICATIONS
4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

04/13/07 CONSENT AGENDA

- 5-1. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS FOR THE MONTH OF MARCH 2007
- 5-2. CONSIDERATION OF TORT CLAIMS:
DENY THE CLAIM OF BEN S. JONAS, CLAIM #07-0011
- 5-3. ACCEPT AND FILE METROBASE STATUS REPORT
- 5-4. ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC) AGENDA FOR APRIL 18, 2007 (No Minutes: no February or March meetings due to lack of quorum)
- 5-5. ACCEPT AND FILE PARACRUZ OPERATIONS STATUS REPORT FOR THE MONTH OF JANUARY 2007
- 5-6. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE FOR MONTH OF FEBRUARY 2007

- 5-7. ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR THE JANUARY, FEBRUARY & MARCH 2007 MEETING(S)
- 5-8. ACCEPT AND FILE NOTIFICATION OF ACTION TAKEN IN CLOSED SESSION REGARDING CLAIM OF CARLOS CARRERA
- 5-9. CONSIDERATION OF RECOMMENDATION TO APPROVE ASSESSMENTS FOR COOPERATIVE RETAIL MANAGEMENT DISTRICT

04/13/07 REGULAR AGENDA

- 6. CONSIDERATION OF INCREASING LIABILITY INSURANCE TO \$30 MILLION
Presented By: Mark Dorfman, Assistant General Manager
- 7. CONSIDERATION OF DIRECTING THE GENERAL MANAGER TO WITHDRAW THE REQUEST TO THE CITY OF SANTA CRUZ FOR THE REMOVAL OF PARKING ON THE SOUTHBOUND LANES OF OCEAN STREET ON THE WEEKENDS FROM MEMORIAL DAY TO LABOR DAY
Presented By: Leslie R. White, General Manager
- 8. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE OPTION TO PURCHASE FIVE 40 FOOT COMPRESSED NATURAL GAS BUSES FROM THE CITY OF CULVER CITY WITH NEW FLYER OF AMERICA
Presented By: Mark Dorfman, Assistant General Manager

SECTION II: AGENDA REVIEW FOR 04/27/07 MEETING

PRELIMINARY 04/27/07 CONSENT AGENDA

- 5-1. APPROVE REGULAR BOARD MEETING MINUTES OF MARCH 9 & 23, 2007
- 5-2. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR DECEMBER 2006 AND APPROVAL OF BUDGET TRANSFERS
- 5-3. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR JANUARY 2007 AND APPROVAL OF BUDGET TRANSFERS
- 5-4. ACCEPT AND FILE MARCH 2007 RIDERSHIP REPORT
- 5-5. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT FOR FINANCIAL AUDIT AND TAX SERVICES
- 5-6. ACCEPT AND FILE CALL STOP AUDIT REPORT FOR THE PERIOD OF JANUARY, FEBRUARY & MARCH 2007

7.02

- 5-7. CONSIDERATION OF CONTINUING SPONSORSHIP OF LEADERSHIP SANTA CRUZ IN ORDER TO PROVIDE EDUCATION ON TRANSPORTATION ISSUES, SERVICES AND FACILITIES

PRELIMINARY 04/27/07 REGULAR AGENDA

6. CONSIDERATION OF APPROVAL OF A **RESOLUTION** MODIFYING SANTA CRUZ METRO'S BYLAWS INCLUDING REFORMATTING THE REGULAR BOARD MEETINGS, AND ADDING LANGUAGE TO REQUIRE DIRECTORS TO FOLLOW CALIFORNIA LAW RE CONFLICTS OF INTEREST AND OTHER MINOR CHANGES
Presented By: Margaret Gallagher, District Counsel
Staff Report: Attached
7. CONSIDERATION OF MODIFICATIONS TO METRO'S PARACRUZ ELIGIBILITY AND APPEALS PROCESS REGULATION TO CONFORM THE REGULATION WITH THE ACTUAL PRACTICES, SUBSTITUTE MAC, INSTEAD OF MASTF, AS AN APPOINTING AUTHORITY TO THE APPEALS PANEL AND OTHER CHANGES
Presented By: Margaret Gallagher, District Counsel
Staff Report: Attached
8. CONSIDERATION OF DIRECTING STAFF TO IDENTIFY TRANSIT SYSTEMS INTERESTED IN ACQUIRING METRO'S RUBBER TIRED TROLLEY
Presented By: Leslie R. White, General Manager
Staff Report: Attached
9. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT FOR SUPPLEMENTAL PARATRANSIT SERVICES
Presented By: Tom Stickel, Maintenance Manager
Staff Report: Not Available
10. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT FOR SUPPLY AND DELIVERY OF LIQUEFIED NATURAL GAS
Presented By: Tom Stickel, Maintenance Manager
Staff Report: Not Available

SECTION III: REVIEW OF 04/13/07 CLOSED SESSION

- A. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION: District Counsel
1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
(Pursuant to Government Code Section 54956.8)
- a. Property: 425 Front Street, Santa Cruz, CA
Negotiating parties: Ceil Cirillo and Leslie R. White for SCMTD Greyhound/Transportation Realty Income Partners L.P., Owner of 425 Front Street
Under Negotiation: Price and Terms

7.03

- | | | |
|----|----------------------|---|
| b. | Property: | 1217 River Street, Santa Cruz, CA |
| | Negotiating parties: | Leslie R. White for SCMTD Dennis Stewart, Owner of 1217 River Street |
| | Under Negotiation: | Price and Terms |

B. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

SECTION IV: ADJOURN TO CLOSED SESSION

SECTION V: RECONVENE TO OPEN SESSION

C. REPORT OF CLOSED SESSION

ADJOURN

NOTICE TO PUBLIC

Members of the public may address the Board of Directors on a topic not on the agenda but within the jurisdiction of the Board of Directors or on the consent agenda by approaching the Board during consideration of Agenda Item #2 "Oral and Written Communications", under Section I. Presentations will be limited in time in accordance with District Resolution 69-2-1.

When addressing the Board, the individual may, but is not required to, provide his/her name and address in an audible tone for the record.

Members of the public may address the Board of Directors on a topic on the agenda by approaching the Board immediately after presentation of the staff report but before the Board of Directors' deliberation on the topic to be addressed. Presentations will be limited in time in accordance with District Resolution 69-2-1.

The Santa Cruz Metropolitan Transit District does not discriminate on the basis of disability. The Encinal Conference Room is located in an accessible facility. Any person who requires an accommodation or an auxiliary aid or service to participate in the meeting, please contact Cindi Thomas at 831-426-6080 as soon as possible in advance of the Board of Directors meeting. Hearing impaired individuals should call 711 for assistance in contacting METRO regarding special requirements to participate in the Board meeting.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

BOARD OF DIRECTORS REGULAR MEETING AGENDA

APRIL 27, 2007 (Fourth Friday of Each Month)

****SANTA CRUZ CITY COUNCIL CHAMBERS****

809 CENTER STREET

SANTA CRUZ, CALIFORNIA

9:00 a.m. – 12:00 p.m.

THE BOARD AGENDA PACKET CAN BE FOUND ONLINE AT WWW.SCMTD.COM

NOTE: THE BOARD CHAIR MAY TAKE ITEMS OUT OF ORDER

SECTION I: OPEN SESSION - 9:00 a.m. ACTION ITEMS FOR 04/27/07 MEETING

1. ROLL CALL
2. ORAL AND WRITTEN COMMUNICATION
 - a. New
3. LABOR ORGANIZATION COMMUNICATIONS
4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

04/27/07 CONSENT AGENDA

- 5-1. APPROVE REGULAR BOARD MEETING MINUTES OF MARCH 9 & 23, 2007
- 5-2. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR DECEMBER 2006 AND APPROVAL OF BUDGET TRANSFERS
- 5-3. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR JANUARY 2007 AND APPROVAL OF BUDGET TRANSFERS
- 5-4. ACCEPT AND FILE MARCH 2007 RIDERSHIP REPORT
- 5-5. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT FOR FINANCIAL AUDIT AND TAX SERVICES
- 5-6. ACCEPT AND FILE CALL STOP AUDIT REPORT FOR THE PERIOD OF JANUARY, FEBRUARY & MARCH 2007
- 5-7. CONSIDERATION OF CONTINUING SPONSORSHIP OF LEADERSHIP SANTA CRUZ IN ORDER TO PROVIDE EDUCATION ON TRANSPORTATION ISSUES, SERVICES AND FACILITIES

04/27/07 REGULAR AGENDA

6. CONSIDERATION OF APPROVAL OF A **RESOLUTION** MODIFYING SANTA CRUZ METRO'S BYLAWS INCLUDING REFORMATTING THE REGULAR BOARD MEETINGS, AND ADDING LANGUAGE TO REQUIRE DIRECTORS TO FOLLOW CALIFORNIA LAW RE CONFLICTS OF INTEREST AND OTHER MINOR CHANGES
Presented By: Margaret Gallagher, District Counsel
7. CONSIDERATION OF MODIFICATIONS TO METRO'S PARACRUZ ELIGIBILITY AND APPEALS PROCESS REGULATION TO CONFORM THE REGULATION WITH THE ACTUAL PRACTICES, SUBSTITUTE MAC, INSTEAD OF MASTF, AS AN APPOINTING AUTHORITY TO THE APPEALS PANEL AND OTHER CHANGES
Presented By: Margaret Gallagher, District Counsel
8. CONSIDERATION OF DIRECTING STAFF TO IDENTIFY TRANSIT SYSTEMS INTERESTED IN ACQUIRING METRO'S RUBBER TIRED TROLLEY
Presented By: Leslie R. White, General Manager
9. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT FOR SUPPLEMENTAL PARATRANSIT SERVICES
Presented By: Tom Stickel, Maintenance Manager
10. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT FOR SUPPLY AND DELIVERY OF LIQUEFIED NATURAL GAS
Presented By: Tom Stickel, Maintenance Manager

SECTION II: REVIEW OF 04/27/07 CLOSED SESSION

- A. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION: District Counsel
 1. New
- B. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

SECTION III: ADJOURN TO CLOSED SESSION

SECTION IV: RECONVENE TO OPEN SESSION

- C. REPORT OF CLOSED SESSION

ADJOURN

NOTICE TO PUBLIC

Members of the public may address the Board of Directors on a topic not on the agenda but within the jurisdiction of the Board of Directors or on the consent agenda by approaching

7.62

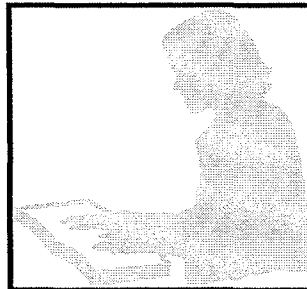
the Board during consideration of Agenda Item #2 "Oral and Written Communications", under Section I. Presentations will be limited in time in accordance with District Resolution 69-2-1.

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The Santa Cruz Metropolitan Transit District does not discriminate on the basis of disability. The City Council Chambers is located in an accessible facility. Any person who requires an accommodation or an auxiliary aid or service to participate in the meeting, please contact Cindi Thomas at 831-426-6080 as soon as possible in advance of the Board of Directors meeting. Hearing impaired individuals should call 711 for assistance in contacting METRO regarding special requirements to participate in the Board meeting. A Spanish Language Interpreter will be available during "Oral Communications" and for any other agenda item for which these services are needed. This meeting will be broadcast live by Community Television of Santa Cruz on Channel 26.

Eight steps to help you decide



Step One: Are you a “public official” within the meaning of the rules?

Step Two: Are you making, participating in making, or influencing a governmental decision?

Step Three: What are your economic interests? That is, what are the possible sources of a financial conflict of interest?

Step Four: Are your economic interests directly or indirectly involved in the governmental decision?

Step Five: What kinds of financial impacts on your economic interests are considered important enough to trigger a conflict of interest?

Step Six: The important question: Is it substantially likely that the governmental decision will result in one or more of the materiality standards being met for one or more of your economic interests?

Step Seven: If you have a conflict of interest, does the “public generally” exception apply?

Step Eight: Even if you have a disqualifying conflict of interest, is your participation legally required?

RESOLUTION NO. 69-2-1
Amended 1-21-83, 6-16-89, 8-21-92,
4-15-94, 4-21-95, 4-27-97, 9-18-98,
4-16-99, 11-19-99, 6-16-00, 6-08-01,
6-15-01, 9-21-01, 02-15-02, 06-21-02,
09-27-02, 10-10-03, 12-19-03, 09-24-04,
and 12-17-04; 02-24-06
On the Motion of Director: Rotkin
Duly Seconded by Director: Hagen
Is Hereby Amended: 02-23-07

**A RESOLUTION OF THE
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT BOARD OF DIRECTORS
ESTABLISHING RULES, REGULATIONS, AND PROCEDURES FOR,
AND THE TIME AND PLACE OF MEETINGS OF THE BOARD; AND
CREATION OF OTHER OFFICES**

I. REGULAR MEETINGS

1.01 Regular Meetings; Time

- (a) Regular meetings of the Board of Directors shall be held on the second Friday of each month from 9:00 a.m. to not later than 11:00 a.m. and on the fourth Friday of each month from 9:00 a.m. to not later than noon. The Board of Directors may extend the meeting times as necessary through Board action. Notwithstanding the foregoing, if a regular meeting falls within 5 working days of a recognized District holiday, i.e., Thanksgiving, Christmas or New Year's Day, the Board of Directors shall reschedule the meeting to a more convenient date. The regular meeting schedule shall be published for the upcoming year and approved by the Board of Directors during October of each year.
- (b) The regular meeting agenda on the second Friday of the month shall ~~primarily be in a workshop format~~ include an Agenda Review Section to review matters that may be agendized for the Regular Board Meeting scheduled for the fourth Friday of the month. However, the Board of Directors may take action at either regular Board meeting pursuant to the agenda prepared in accordance with California law and these Bylaws.

1.02 Regular Meetings; Place

- (a) The Regular meeting of the Board of Directors on the second Friday of the month shall be convened in the Encinal Conference Room at Santa

7.d1

12.02 Resolution

- (a) No resolution shall be adopted by the Board unless it is presented before the Board in writing or read aloud. Where copies of the resolution have been presented to each Director, the reading of the resolution is automatically waived unless a Director specifically requests that it be read. ~~Resolutions must be adopted by a roll call vote; however, routine resolutions may be placed on the consent agenda. In the event that a Director wishes to dissent or abstain, the resolution will be removed from the consent agenda and be placed on the Regular Agenda. Resolutions may also be passed by unanimous voice vote.~~
- (b) A Resolution can be passed through a unanimous voice vote of all those present. However, if a dissent is registered, then a roll call vote shall be taken.

12.03 Ordinance

- (a) No ordinance shall be passed until a public hearing has been held on it, which hearing shall be advertised in a newspaper of general circulation or posted in at least three public places at least 15 days prior to the hearing. No ordinance shall be adopted by the Board of Directors on the day of introduction. Ordinances must be adopted by a roll call vote.
- (b) All ordinances shall be printed after passage, and maintained in the District Administrative Offices.
- (c) The enacting clause of all ordinances shall be as follows:

"Be it enacted by the Board of Directors of the Santa Cruz Metropolitan Transit District:..."
- (d) All ordinances shall be signed by the Chair of the Board or Vice-Chair and attested by the Secretary/General Manager.

XIII. METHOD OF VOTING

13.01 Voice Vote

Unless a roll call vote is specifically requested by a Director, all matters, except the voting on Resolutions and Ordinances, shall be decided by voice vote. All actions of the Board of Directors shall be approved by affirmative vote of a

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minimum of six voting members of the Board of Directors unless otherwise specifically required.

13.02 Silence Recorded as Affirmative Vote

A member's silence shall be recorded as an affirmative vote.

13.03 Duty to Vote

Each Director has a duty to vote when present at a meeting on matters coming before the Board of Directors or a Board Committee unless he/she has notified the Board of Directors of a legal conflict of interest in accordance with California state law, ~~and has made a full public disclosure regarding such conflict of interest.~~ If a conflict of interest is disclosed, the Director shall adhere to all California legal requirements, ~~abstain from voting, unless otherwise required by law to vote.~~

13.04 Unanimous Voice Votes in Lieu of Roll Call for Resolutions

~~A Director can move the passage of a Resolution by a unanimous voice vote in lieu of a roll call. If a dissent is registered then a roll call vote shall be taken.~~

XIV. COMMITTEES AND APPOINTMENTS

14.01 Creation of Committees

- (a) The Board of Directors may establish committees for a stated purpose. If required by California Law, committees and their members shall comply with the Ralph M. Brown Open Meeting Act. Committees are required to comply with these Rules and Regulations. The Secretary/General Manager shall provide adequate staffing to assist the committees in doing their work. Directors who are not committee members may attend committee meetings as long as they attend only as observers when a majority of the Board of Directors is in attendance at the committee meeting. Appointees to committees serve at the pleasure of the Board of Directors, except that no appointee will be removed from office for an illegal reason including the exercise of his/her right to speak about matters of public concern. The committees shall include the following:
 - (i) Working committees or subcommittees of the Board of Directors

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

STAFF REPORT

DATE: April 27, 2007

TO: Board of Directors

FROM: Margaret Gallagher, District Counsel

SUBJECT: **CONSIDERATION OF MODIFICATIONS TO METRO'S PARACRUZ ELIGIBILITY AND APPEALS PROCESS REGULATION TO CONFORM THE REGULATION WITH THE ACTUAL PRACTICES, SUBSTITUTE MAC, INSTEAD OF MASTF, AS AN APPOINTING AUTHORITY TO THE APPEALS PANEL AND OTHER CHANGES**

I. RECOMMENDED ACTION

Revise METRO's ParaCruz Eligibility and Appeals Process Regulation as set forth in Attachment A

II. SUMMARY OF ISSUES

- There is a need to modify the language in the Santa Cruz Metropolitan Transit District's (METRO's) current ParaCruz Service Eligibility and Appeals Process Regulation to conform the language of the regulation with the actual current practices, to substitute MAC, instead of MASTF, as an appointing authority for the appeals panel and other changes.
- Proposed revisions of the regulation are highlighted in Attachment A, new language is indicated by bolded words and strike-outs indicate what words are to be deleted. A detailed explanation for each modification is included through the use of end notes in Attachment A.

III. DISCUSSION

Prior to 2002, the eligibility process for the METRO ADA paratransit service was a paper application, which required verification of a qualifying condition by a medical professional. In 2000/01 METRO retained the services of a nationally recognized Bay Area consulting firm who specialized in transit and paratransit issues to conduct a comprehensive financial and operational audit of METRO ParaCruz which included public participation and input. As a result of the recommendations brought forth during the audit, the METRO Board of Directors adopted the current model of in-person paratransit eligibility assessments with recertifications generally being through written verification by the eligible customer that his/her condition has remained the same. The Board of Directors incorporated its paratransit service program standards into METRO's Paratransit Plan in the form of the METRO ParaCruz Customer Guide and the METRO ParaCruz Eligibility and Appeals Process Regulation.

On July 26, 2002, the Board of Directors adopted the attached regulation, which sets forth the eligibility criteria, the eligibility and recertification processes and an appeal process.

Eligibility for METRO ParaCruz is based on a functional assessment of whether the applicant can use METRO's fixed route service. If, because of a disability, the applicant cannot use the fixed route transit service, METRO will determine that he/she is eligible for METRO ParaCruz. In making all eligibility determinations and processing each appeal, METRO follows the mandates of the Americans with Disabilities Act (ADA) and its implementing regulations.

The METRO Advisory Committee (MAC) will review these proposed modifications on April 18, 2007.

IV. FINANCIAL CONSIDERATIONS

None

V. ATTACHMENTS

Attachment A: METRO's ParaCruz Eligibility and Appeals Process Regulation with modifications indicated in bold (new language) and strike-outs (language to be deleted) with end note explanations for each modification.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

STAFF REPORT

DATE: April 27, 2007

TO: Board of Directors

FROM: Margaret Gallagher, District Counsel

SUBJECT: **CONSIDERATION OF MODIFICATIONS TO METRO'S PARACRUZ ELIGIBILITY AND APPEALS PROCESS REGULATION TO CONFORM THE REGULATION WITH THE ACTUAL PRACTICES, SUBSTITUTE MAC, INSTEAD OF MASTF, AS AN APPOINTING AUTHORITY TO THE APPEALS PANEL AND OTHER CHANGES (SUPPLEMENTAL)**

I. RECOMMENDED ACTION

Receive input from the Public and then Continue the entire Matter to a Subsequent Board Meeting to Allow Metro's Advisory Committee and the Elderly and Disabled Transportation Advisory Committee an Opportunity to Review the Matter and to provide Input

II. SUMMARY OF ISSUES

- The proposed modifications to the METRO's ParaCruz Eligibility and Appeals Process Regulations were reviewed and discussed at the April 13, 2007 METRO Board of Director's regular meeting.
- METRO's Advisory Committee (MAC) has not had a sufficient amount of time to review the proposed modifications and to provide its input. Additionally, the Elderly & Disabled Transportation Advisory Committee (E&D TAC) asked for an opportunity to review the proposed changes to the regulations. Additionally, the Area Agency on Aging Advisory Council has also sought to have input into the process.
- This matter should be continued to a subsequent METRO's Board of Directors regular meeting so that MAC and E&D TAC have an opportunity to review this matter and provide input regarding the proposed modifications to the regulations.
- Additionally, METRO staff is in the process of revising the regulation to include a process, which will provide more detail regarding input to be garnered from the public and various stakeholders when modifications of this regulation are proposed.

III. DISCUSSION

MAC and E & D TAC have not had an opportunity to review the proposed modifications to the ParaCruz eligibility and Appeals Process Regulations. This matter will be presented and discussed at E&D TAC's May 3rd special meeting and MAC's May 16th meeting. This matter should be continued to subsequent METRO's Board of Directors regular meetings. By continuing the matter, the METRO Board of Director's insures that

all parties who wish to provide input are included in the process. Additionally, METRO staff is in the process of revising the regulations to include a specific process to be followed when modifications of these regulations are proposed.

IV. FINANCIAL CONSIDERATIONS

None

V. ATTACHMENTS

None

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Regulation Number: AR-1024

Computer Title: Metro ParaCruz appeal process

Effective Date: July 26, 2002

Pages: 10

TITLE: METRO PARACRUZ SERVICE ELIGIBILITY AND APPEALS PROCESS

Procedure History

| DATE | SUMMARY OF REVISION | APPROVED |
|----------------|--|-----------------|
| 7/26/02 | New—METRO ParaCruz Eligibility and Appeals Process | S.A. |
| 9/26/03 | Immediate need policy changes and procedural revisions | E.R. |
| 3/28/06 | Assign new Regulation Number – no change to content | L.W. |
| <u>4/27/07</u> | <u>Conformed regulation to current practices; Substituted MAC for MASTF as appointed authority to appeals panel, and other changes</u> | <u>Not Yet</u> |

I. POLICY

- 1.01 It is the policy of Santa Cruz ~~Metro~~ METRO^{1.01} that because it operates a fixed route system, it shall provide a paratransit service that is comparable and complementary to the fixed route service to eligible riders. Santa Cruz ~~Metro's~~ METRO's paratransit service shall be known as METRO ParaCruz.

- 1.02 METRO ParaCruz eligibility and appeals process shall be in accordance with the Americans with Disabilities Act (ADA) and its implementing federal regulations and shall insure that all eligible riders enjoy full access to either Santa Cruz ~~Metro's~~ METRO's fixed route service or to the METRO ParaCruz Service as appropriate. The eligibility and the appeals process for METRO ParaCruz shall be fair, effective, accurate, respectful and non-threatening.

- 1.03 Santa Cruz ~~Metro~~ METRO recognizes that the ADA establishes a civil right to paratransit services for individuals who cannot otherwise utilize the fixed route system whether because of their disability or because of the inaccessibility of the fixed route system. Therefore, a determination of ineligibility for such service is a serious matter.

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II. APPLICABILITY

- 2.01 This procedure is applicable to all individuals applying for METRO ParaCruz, filing an appeal regarding METRO ParaCruz eligibility and those who are current eligible riders of METRO ParaCruz.
- 2.02 This Regulation serves in conjunction with METRO's ParaCruz Customer Guide as METRO's Official Paratransit Plan^{2.02}.

III. ELIGIBILITY CRITERIA

- 3.01 The Manager of Operations or his/her designee shall determine whether an individual applying for METRO ParaCruz can use the fixed route service depending on his/her own circumstances.
- 3.02 The eligibility process shall ensure that only persons who meet the federal regulatory criteria, strictly applied, shall be certified as METRO ParaCruz eligible.
- 3.03 When a person applies for the METRO ParaCruz, the Manager of Operations or his/her designee shall provide all the needed forms and/or instructions. These forms and instructions may include a declaration of whether the individual travels with a personal care attendant (PCA).
- 3.04 All documents concerning eligibility will be made available in one or more accessible formats, on request. Accessible formats include computer disks, Braille documents, audiocassettes compact disk (CD), and large print documents format. These documents will also be made available in Spanish upon request.^{3.04} A document does not necessarily need to be made available in the format a requester prefers, but it does have to be made available in a format the person can use.
- 3.05 Should an applicant have an immediate need for METRO ParaCruz services before he/she has the time to submit to an assessment, the Manager of Operations or his/her designee may certify the applicant on an immediate needs' temporary basis. This immediate needs certification shall be provided in only a limited number of cases. Immediate need certification, at a maximum, shall be valid for a period of time not to exceed 14 calendar days from the initial immediate need determination and cannot be extended. This immediate needs certification is at the sole discretion of the Manager of Operations or his/her designee and cannot be appealed. The Manager of Operations or his/her designee may require documentation in support of the immediate needs assessment. This certification will be valid until an eligibility determination has been made, preferably within

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one week. Certification for an immediate need will not be evidence of eligibility for the METRO ParaCruz service. Individuals who have been certified as “immediate need” but who do not complete the eligibility process within the required 14 days, will not receive further immediate need certifications.^{3.05}

- 3.06 An individual shall be certified to be eligible for METRO ParaCruz under any of the following circumstances:
- a. Individuals with a disability who can use an accessible vehicle, but for whom any desired trip cannot be made because the fixed route service they need to use is not yet accessible. This concept is route based, not system based.
 - b. An individual with a disability who is unable as the result of a physical or mental impairment and without the assistance of another individual (except the operator of a wheelchair lift or other boarding assistance device) to board, ride, or disembark from any vehicle on the system which is readily accessible to and useable by individuals with disabilities. This includes those who cannot “navigate” the system.
 - c. Individuals who have impairment-related conditions that prevent them from getting to or from a boarding or disembarking location. This is intended to be a very narrow exception to the general rule that difficulty in traveling to or from boarding or disembarking location is not a basis for eligibility.
- 3.07 A disability for purposes of METRO ParaCruz eligibility may be either permanent or temporary.
- 3.08 An individual may be eligible for METRO ParaCruz whose disability is intermittent.
- 3.09 METRO ParaCruz eligibility is based on a functional, rather than a medical, model. Persons are not qualified or disqualified on the basis of a specific diagnosis or disability.
- 3.10 The application of a person’s eligibility will be determined as a practical matter whether the individual can use fixed route service in his/her own circumstances. This is a transportation decision primarily, not a medical decision.
- 3.11 At the time eligibility for METRO ParaCruz is determined, it will also be decided whether the applicant needs the services of a ~~PCA~~ PCA when traveling on

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METRO ParaCruz. In order for the PCA to ride free, the applicant must be registered with METRO ParaCruz as needing a PCA.

- 3.12 Eligibility for METRO ParaCruz shall be ~~limited to~~ for a maximum of three-years ~~term~~. The renewal process shall in most cases be limited to a simple process of a one-page form indicating no changes in functional ability or residential location that would impact the individual's eligibility status. In some cases an in-person assessment will be required at the discretion of the Manager of Operations or his/her designee. An in-person recertification shall only be required when documented, known facts and circumstances indicate that the eligible rider is no longer eligible for the service when the source of such information is specifically identifiable and reliable.^{3.12}

- 3.13 Should an individual allow their eligibility to expire and then desire to utilize METRO ParaCruz services, the application shall be treated as a new application for eligibility.^{3.13} Notwithstanding the foregoing, the entire eligibility list of current METRO ParaCruz eligible riders will undergo a re-certification process beginning on August 1, 2002 in order to determine eligibility of each rider with priority given to the most frequent users. The process utilized shall be as if the individual were making an initial application for paratransit service eligibility as set forth in these procedures except that the individual shall remain METRO ParaCruz eligible until a determination of ineligibility is sustained on appeal or the individual fails to cooperate or participate in the re-certification process. Each individual shall be notified in writing that he/she is required to undergo an in-person assessment of their eligibility status. Any determination made that finds the individual is no longer eligible for paratransit services shall be in writing and is subject to the appeal hearing process as set forth in these procedures.

IV. ELIGIBLE VISITORS

- 4.01 METRO ParaCruz shall be provided to visitors from out of the County of Santa Cruz on the same basis as such service is provided to local residents. A visitor can become eligible for METRO ParaCruz by presenting documentation from his/her "home" jurisdiction's paratransit system. If the individual has no such documentation, the Manager of Operations or his/her designee shall require proof of visitor status and, if the individual's disability is not apparent proof of the disability. Once this documentation is presented and is satisfactory, METRO ParaCruz will be made available for a maximum of 21 days on the basis of the individual's statement that he/she is unable to use the fixed route transit system.
- 4.02 Visitors shall be provided with METRO ParaCruz based on visitor eligibility for no more than 21 days within a floating 365-day period^{4.02}. After 21 days

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(consecutive or parceled out), the individual must apply for METRO ParaCruz eligibility as provided in these procedures.

V. ELIGIBILITY PROCESS

- 5.01 To apply for METRO ParaCruz, an applicant shall contact the Manager of Operations or his/her designee and ask to schedule an appointment for an interview. Interviews normally will take about 30 minutes. No application or user fees shall be charged to an applicant.
- 5.02 Interviews will be scheduled at the interview location nearest to the applicant's residence within 7 days of the initial contact. ~~If an individual claims that it would be a hardship to participate in an in-person assessment, the Manager of Operations or his/her designee shall determine how the eligibility process should proceed with consideration given to a paper application process including receipt of a medical certification should circumstances warrant.~~^{5.02}
- 5.03 Upon request the applicant will be provided with transportation to and from the interview at no cost.
- 5.04 During the interview, the applicant will be asked eligibility information, travel abilities and needs in detail. An in-person assessment shall take place.
- 5.05 The interview will also provide an opportunity for the applicant to ask questions about METRO ParaCruz.
- 5.06 At the interview, the applicant may be asked to participate in further assessment, including a functional assessment.
- 5.07 The eligibility determination shall be in writing and shall be ~~made~~ **postmarked** within ~~seventwo (72)~~ **business days** of the in-person assessment. ~~Every effort will be made to notify the applicant of the determination as soon as possible thereafter.~~^{5.07}
- 5.08 If for any reason a decision is not made within 21 calendar days, METRO ParaCruz will be provided. Once METRO ParaCruz is provided, it may be terminated only if and when the applicant is found to be ineligible.
- 5.09 If found to be eligible, a letter of eligibility and an identification card will be provided to the applicant. For those individuals granted eligibility, the documentation of eligibility shall include at least the following information: the

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individual's name, the name of Santa Cruz ~~Metro~~**METRO**, the telephone number of Santa Cruz ~~Metro's~~**METRO's** paratransit administrator, an expiration date for eligibility and any conditions or limitation on the individual's eligibility including whether the individual requires the use of a PCA.

- 5.10 If found to be ineligible, and therefore denied service, a letter of explanation of ineligibility together with all appeal rights and procedures shall be provided to the applicant. An applicant may also appeal the restricted eligibility of conditional or trip-by-trip. Additional information, that the applicant feels will assist the appeals panel in reconsidering the eligibility decision, should be submitted to the appeals panel for consideration. The reasons set forth for ineligibility or restriction must specifically relate the evidence in the matter to the eligibility criteria. This information will be available upon request in accessible formats including Braille, **audiocassette**, computer disc, **CD, and large print format. It will also be available and** in Spanish.

VI. PROCEDURE FOR INITIATING APPEAL

- 6.01 Applicants who believe an eligibility determination for METRO ParaCruz was made in error or who disagrees with the original certification decision may appeal the eligibility determination/certification decision within 60 days of the denial of an applicant's application.
- 6.02 Applicants shall complete the attached Appeal Form or shall provide the following information to the Santa Cruz ~~Metro~~**METRO**, although the Appeal Form must be signed by the applicant before or at the hearing to confirm that the contents of the appeal are accurate:
- a. Applicants name, address and phone number;
 - b. Reason why the determination was incorrect;
 - c. Any information supporting the appeal.
- 6.03 An appeal hearing shall be scheduled within 30 days of receipt of the Appeal with a decision on the appeal provided to the applicant within 10 days of the Appeal Hearing. If an applicant wants to continue the appeal hearing, the hearing will be continued one time. If a decision on the appeal is not rendered within 30 days of the completion of the Appeal hearing, then the Applicant shall be provided with METRO ParaCruz service until a decision of ineligibility on the appeal is rendered.

VII. COMPOSITION OF APPEALS PANEL

- 7.01 A three-member panel will hear each eligibility appeal for METRO ParaCruz. Each panel will include the General Manager or his/her designee, a **METRO**

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Advisory Committee (MAC) MASTF appointed representative, and an individual who works with persons with disabilities. The District Counsel Manager of Operations or his/her designee will recruit and provide training on an annual basis for a sufficient number of potential panel members to assure the ability to schedule appeals meetings as often as needed. ^{7.01} Training for appeals panel members will focus upon Federal ADA paratransit eligibility criteria and upon the procedures for conducting an appeals hearing. Each panel member will receive \$25.00 per appeal hearing except METRO employees.

- 7.02 The eligibility appeal panel members shall keep the information pertaining to an individual's appeal confidential including all medical information unless ordered by a court of competent jurisdiction to release the information. Santa Cruz METRO shall be permitted to utilize information provided during the eligibility and appeal process or generated as a result of the eligibility and appeal process to defend a determination rendered by the appeals panel.
- 7.03 This appeal panel may also be used for other METRO ParaCruz service issues including declaring a METRO ParaCruz rider ineligible for service, suspending METRO ParaCruz service and "NO Show" determinations.

VIII. ROLE OF THE MANAGER OF OPERATIONS

- 8.01 The Manager of Operations or his/her designee will act as host at the appeal hearing and will provide administrative support for each appeal ~~meeting~~ hearing, but will not directly participate in the deliberations and determinations made by the panel. The Manager of Operations or his/her designee will be responsible for the following:
- a. Receiving appeals from applicants.
 - b. Scheduling appeals hearings within thirty days of the initiation of the appeal.
 - c. Notifying panel members and applicants of the date, time and place for scheduled appeal hearings.
 - d. Arranging free transportation to and from the appeals hearings for all applicants who request it.
 - e. Maintaining accurate records of appeals activities, including final determinations and statements of justification for each determination.

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- f. Providing written notice for applicants of the appeal determination within ten (10) days of the appeal hearing.
- g. Attending the Appeals Hearing (consistent with the requirements of Section 9.03), explaining METRO's eligibility determination and responding to questions of the Appeals Panel^{8.01}.**

IX. HEARING PROCEDURES

- 9.01 Each appeal panel member will receive a copy of the ~~certification~~ **eligibility assessment** records for each applicant making an appeal. Applicants will be welcome to submit written documentation of their choosing in support of the appeal. Applicants **must attend the appeal hearing and answer questions posed by the appeal panel^{9.01}**. **Applicant** will, **however**, have the right to be assisted by any person of their choosing at the appeal hearing.
- 9.02 To help assure that appeals hearing are non-threatening, one member of the appeals panel will be designated as chair for each appeal **hearing^{9.02}**. That panel member will be primarily responsible for asking questions and conducting the appeal hearings in a professional and friendly manner. Any panel member may ask questions or seek clarifications as needed, but, for the most part, the chair will be responsible for directly communicating with the applicant and/or advocate. When necessary the appeal panel may refer the applicant for a functional reassessment to determine eligibility.
- 9.03 The chair will welcome all participants for each appeal hearing. Following introductions, the chair will invite the Manager of Operations or his/her designee, who acts as host, to summarize the nature of the ADA paratransit eligibility criteria and the basis for the determination. The Manager of Operations or his/her designee shall present any oral or written evidence in support of the determination, however, all written evidence must be provided to the applicant at least ten (10) days in advance of the hearing. The applicant can request that the individual hosting the ParaCruz eligibility determination not remain in the hearing after the initial presentation. The Appeals Panel shall decide whether to grant the request after allowing the parties to address the request. The applicant and/or his/her advocate will then have an opportunity to state why he/she disagrees with the original determination. The remainder of the appeals evaluation will be conducted by asking a series of open-ended questions that focus on aspects of the functional ability of applicants to use accessible public transit services in Santa Cruz.

X. APPEALS CHECKLIST

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- 10.01 To help insure fairness and consistency, a checklist of issues will be reviewed by the members of the appeal panel at the commencement of the appeal hearing and those questions will be asked of the applicant and/or the advocate if applicable. The chair may phrase specific questions in any manner that seems appropriate or helpful given the apparent communication abilities of the applicant and the particular issues that arise.
- 10.02 The issues that will be addressed at each appeal hearing, if applicable, will include:
- a. Confirm information collected during certification interview:
 - Name
 - Address and Phone
 - Condition
 - Mobility Device
 - b. Is the applicant able to independently walk or wheel to and from bus stops?
 - c. Is the applicant able to board/deboard an accessible bus (using stairs, a ramp, or a lift)?
 - d. Is the applicant able to ride the bus, whether as a standee, or only if seated, or only if seated and secured?
 - e. Is the applicant able to collect and understand transit route information?
 - f. Is the applicant able to count and handle money to pay bus fare including bills and coins?
 - g. Are there any special circumstances that sometimes would prevent the applicant from completing a desired bus trip?
- 10.03 The appeal hearing chairperson will invite the applicant and/or his/her advocate to make any additional statements regarding factors that may prevent the applicant from independently using accessible transit services.
- 10.04 Following all questions and statements the chairperson will thank the applicant and his/her advocate for their cooperation. Afterwards, the three-member panel will deliberate in private and seek to reach by consensus an appropriate determination. If consensus is not possible, then the determination will be based on a vote of at least two to one, to sustain the initial decision of denial, restricted conditional or restricted trip-by-trip eligibility. The determination of the appeals panel shall be final. The Chair shall prepare a written decision which decision.

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which shall set forth the decision and the written and oral evidence that was considered by the panel including the reasons why the appeal was denied if that is the decision. A copy of the written decision shall be provided to the applicant.

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ADA PARACRUZ SERVICE ELIGIBILITY APPEAL FORM

TO: ~~METRO ParaCruz Eligibility Coordinator~~ Manager of Operations
~~METRO Center~~ Santa Cruz METRO
~~920 Pacific Avenue, Suite 21~~ 1200 River Street
Santa Cruz, CA 95060

Name of Applicant: _____

Address of Applicant: _____

Mailing Address (if different from above): _____

Telephone number: _____

E-mail address: _____

Reason Why the Determination was Incorrect: _____

Applicant's Signature or Parent's Signature if
Applicant is a Minor

Date

* ATTACH ANY SUPPORTING DOCUMENTATION THAT YOU WISH THE
APPEAL PANEL TO CONSIDER.

8. all

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1.01 Corrections are being made to capitalize METRO throughout the document.

2.02 METRO's Paratransit Plan sets forth METRO's legally compliant paratransit program. Federal Courts have held that a public entity must provide its paratransit service in accordance with its Paratransit Plan. Providing service not in accordance with the plan is the prohibited discrimination.

3.04 Accessible information must be available upon request.

3.05 The immediate needs certification, which goes beyond ADA requirements, is being given greater clarification regarding the length of the certification.

3.12 Language is being deleted that is no longer applicable. Language is being added to clarify that the certification period is for a maximum of three years. Additionally, language is being added to clarify when an in-person recertification may be required.

3.13 Language is being deleted that is no longer applicable. Language is being added to explain that if certification lapses, the rider will have to submit a new application.

4.02 Language is being added to provide clarification as allowed by the federal regulations.

5.02 Language is being deleted that is not required by the ADA or its regulations. No rider has ever received a hardship determination to avoid compliance with the in-person assessment.

5.07 The eligibility determination needs a minimum of seven days rather than only two days.

7.01 MASTF is being replaced with MAC as an appointing authority to the Appeals Panel. District Counsel is being assigned to provide training to the Appeals Panel on an annual basis.

8.01 Language is being added to clarify the duties of the Manager of Operations and/or his/her designee during the Appeals Hearing.

9.01 The Applicant will not be required to attend the Appeal Hearing giving the Appeals Panel the opportunity to ask questions directly of the Applicant and make its determination from direct evidence rather than hearsay.

9.02 Language is being added for clarification. The content of the section is not being changed.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: April 27, 2007
TO: Board of Directors
FROM: Les White, General Manager
SUBJECT: **CONSIDERATION OF DIRECTING STAFF TO IDENTIFY TRANSIT SYSTEMS INTERESTED IN ACQUIRING METRO'S RUBBER TIRED TROLLEY**

I. RECOMMENDED ACTION

That the Board of Directors instruct the General Manager to identify and solicit interest from transit systems that may be able to purchase the METRO/City of Santa Cruz Trolley Replica vehicle and discuss the issue with the City of Santa Cruz.

II. SUMMARY OF ISSUES

- In February of 2002, the Board of Directors directed staff to procure a Trolley replica vehicle for use in the operation of the Santa Cruz Beach Shuttle.
- At that time, the City of Santa Cruz provided the local share of 20% for the trolley.
- The cost of the trolley when purchased was \$362,233.
- Shortly after delivery of the trolley replica, the City of Santa Cruz ceased the funding for the operation of the Beach Shuttle.
- The trolley has seen limited operation since that time.
- FTA monitors the use of federally funded assets used in the provision of mass transit service.
- METRO is scheduled to receive a Triennial Review this year, and the limited use of the trolley replica is expected to be discussed.
- One option that is available for METRO to address the "underused" trolley replica is to do a "federal assets transfer", whereby another transit system can agree to have the bus transferred to them for the undepreciated value of the local share of the vehicle.

III. DISCUSSION

In February of 2002, the Board of Directors asked staff to amend an existing FTA grant to purchase a trolley replica vehicle. Members of the Board from the City of Santa Cruz were interested in using a rubber-tired trolley to run on the Santa Cruz Beach Shuttle, and they offered to pay the 20% share of the grant. The trolley was purchased for a cost of \$362,233, with the

local share amounting to \$73,354. Shortly after the delivery of the trolley, the City of Santa Cruz ceased funding for the Beach Shuttle (last year of operation was 2004), and the trolley has seen very limited usage. The chart below summarizes the mileage for the trolley

| Date | Mileage |
|--------------|---------|
| June 2003 | 2,850 |
| June 2004 | 2,748 |
| June 2005 | 1,310 |
| October 2006 | 112 |
| March 2007 | 128 |

METRO is required to certify that all assets purchased with federal funds are actively used for the provision of mass transit services. This year METRO is scheduled for a Triennial Review that is conducted by FTA. As part of that review, they evaluate the number of buses in the fleet. As can be seen from the above chart, the trolley is not actively used for service. The FTA allows for the transfer of federal assets that are not eligible for replacement to other transit agencies. The federal share of the asset is transferred and the undepreciated value of the local share is paid to the agency as reimbursement for the asset.

Staff is recommending that the Board direct staff to identify other transit agencies that may be interested in acquiring METRO's trolley replica vehicle. Should this be done, there will be a depreciated refund of the local share from the purchase of the trolley. Staff is also recommending that staff discuss the issue of the trolley replica vehicle with the City of Santa Cruz.

IV. FINANCIAL CONSIDERATIONS

Should another transit agency acquire the trolley replica vehicle, it will result in a refund of the depreciated portion of the local share. These funds shall be returned to the City of Santa Cruz.

V. ATTACHMENTS

None

GOVERNMENT TORT CLAIM

RECOMMENDED ACTION

TO: Board of Directors

FROM: District Counsel

RE: Claim of: Crowley, Paul
Date of Incident: 03/23/07

Received: 04/10/07 Claim #: 07-0013
Occurrence Report No.: MISC 07-06

In regard to the above-referenced Claim, this is to recommend that the Board of Directors take the following action:

- 1. Reject the claim entirely.
- 2. Deny the application to file a late claim.
- 3. Grant the application to file a late claim.
- 4. Reject the claim as untimely filed.
- 5. Reject the claim as insufficient.
- 6. Allow the claim in full.
- 7. Allow the claim in part, in the amount of \$ _____ and reject the balance.

By Margaret Gallagher
Margaret Gallagher
DISTRICT COUNSEL

Date: 4/10/07

I, Cindi Thomas, do hereby attest that the above Claim was duly presented to and the recommendations were approved by the Santa Cruz Metropolitan Transit District's Board of Directors at the meeting of April 27, 2007.

By _____
Cindi Thomas
RECORDING SECRETARY

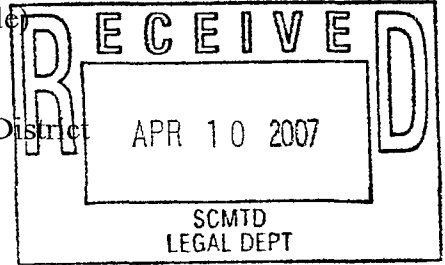
Date: _____

MG/lg
Attachment(s)

CLAIM AGAINST THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

(Pursuant to Section 910 et Seq., Government Code)

Claim # 07-0013



TO: BOARD OF DIRECTORS, Santa Cruz Metropolitan Transit District

ATTN: Secretary to the Board of Directors
370 Encinal Street, Suite 100
Santa Cruz, CA 95060

1. Claimant's Name: PAUL CROWLEY

Claimant's Address/Post Office Box:

Claimant's Phone Number:

2. Address to which notices are to be sent:

3. Occurrence: while trying to raise the bike rack, it stuck then "unstuck" suddenly, smashing 3 fingers between bars
Date: 3-23-07 Time: 5:15 Place: Scotts Valley, Mt Hermon

Circumstances of occurrence or transaction giving rise to claim: badly crushed the fingertips of middle finger, ring finger & pinky. extreme pain at instant of occurrence. pain slowly diminished over a two week period. blackening of fingernails indicating internal bleeding, and bruising

4. General description of indebtedness, obligation, injury, damage, or loss incurred so far as is known: Unable to work on computers, moving my medical equipment, service eg

5. Name or names of public employees or employees causing injury, damage, or loss, if known:

6. Amount claimed now \$ 850.00
Estimated amount of future loss, if known \$?
TOTAL \$ 850.00

7. Basis of above computations: lost four days work, re-marketing medical equipt. NO computer NO service work

CLAIMANT'S SIGNATURE (or Company Representative or Parent of Minor Claimant)

4-2-07 DATE

Note: Claim must be presented to the Secretary to the Board of Directors, Santa Cruz Metropolitan Transit District

* This is a low estimate of four days work. Please refer to the recent invoice included for service work. feel free to contact the Payee, ... 10.2. E i

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- Board of Directors

March 9, 2007

A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, March 9, 2007 at the District's Administrative Office, 370 Encinal Street, Santa Cruz, CA

Chair Tavantzis called the meeting to order at 9:01 a.m.

VICE CHAIR BEAUTZ ARRIVED AND PRESIDED OVER THE REMAINDER OF THE MEETING

SECTION 1: OPEN SESSION

1. ROLL CALL:

DIRECTORS PRESENT

Jan Beautz
Dene Bustichi
Donald Hagen
Michelle Hinkle
Kirby Nicol
Emily Reilly
Mike Rotkin (arrived after roll call)
Dale Skillicorn
Pat Spence
Marcela Tavantzis
Ex-Officio Donna Blitzer

DIRECTORS ABSENT

Mark Stone

STAFF PRESENT

Ciro Aguirre, Operations Manager
Angela Aitken, Finance Manager
Pat Aviles, Asst. HR Manager
Frank Cheng, MetroBase Project Manager
Mary Ferrick, Base Superintendent
Terry Gale, IT Manager
Margaret Gallagher, District Counsel

Harlan Glatt, Sr. Database Administrator
Debbie Kinslow, Asst. Finance Manager
Steve Paulson, Paratransit Administrator
Robyn Slater, Human Resources Manager
Tom Stickel, Maintenance Manager
Les White, General Manager

EMPLOYEES AND MEMBERS OF THE PUBLIC WHO VOLUNTARILY INDICATED THEY WERE PRESENT

Carolyn Derwing, Schedule Analyst
Sandra Lipperd, UTU
Ian McFadden, Transit Planner
David Moreau, PSA

Bonnie Morr, UTU
Steve Prince, UTU
Bob Yount, MAC

2. ORAL AND WRITTEN COMMUNICATION

Written:

- | | | |
|----|---|---------------------|
| a. | Terryn Davis, OTR/L, Dominican Hospital | Re: Service Request |
| b. | ?, OTR/L III, Dominican Hospital | Re: Service Request |
| c. | Pasha Hoth Wilson | Re: Service Request |
| d. | Patricia Laffoon | Re: Service Request |
| e. | Greg McLean | Re: Service Request |
| f. | Angela Pearson | Re: Service Request |
| g. | Carol Stanley | Re: Service Request |
| h. | Simone Rowland | Re: Service Request |
| i. | Antoine Zeiuf | Re: Service Request |

3. LABOR ORGANIZATION COMMUNICATIONS

Bonnie Morr and Sandra Lipperd, UTU, reported that there is still a safety issue at the Watsonville Transit Center (WTC) and urged the Board to reconsider this. Bonnie Morr also stated that the bus operators are doing the best they can to stay on schedule and she requested that everyone present show some courtesy and assist the buses merging back in to traffic.

DIRECTOR ROTKIN ARRIVED

Les White stated that this issue was intended to be agendized for the March 23, 2007 Board meeting with a recommendation after the METRO Advisory Committee (MAC) considers it at their next meeting on March 21st.

Steve Prince, UTU, added that he noticed that the undesirable activities were not present when a security guard was at WTC yesterday.

4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

A Revised page #5-8.a1 was distributed at today's meeting and is attached to the file copy of these minutes. Mr. White introduced METRO's new Assistant Finance Manager, Debbie Kinslow and Robyn Slater introduced METRO's new Assistant Human Resources Manager, Pat Aviles.

CONSENT AGENDA

5-1. APPROVE REGULAR BOARD MEETING MINUTES OF FEBRUARY 9 & 23, 2007 AND SPECIAL MINUTES OF FEBRUARY 23, 2007

Director Spence requested that 2 corrections be made to the February 23, 2007 Board Minutes on page #5-1.12 indicating that she did not verbally make her suggested additional modifications to sections 11.01c and 15.01b and also that she did not personally make the friendly amendment of the motion to change the name to Pacific Station or any modification to Section 11.01c as follows:

Margaret Gallagher reported that Director Spence **had contacted her and** suggested the following additional modifications:

11.2

- 1) In Section 11.01c, include that remarks shall not be addressed to METRO Staff; and
- 2) In Section 15.01(b), change Santa Cruz Metro Center to Pacific Station.

As the maker of the motion, Director Rotkin stated that he accepts **considers** Director Spence's 2nd recommendation as **to be** a friendly amendment, but not the 1st.¹

5-2. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS FOR THE MONTH OF FEBRUARY 2007

Chair Tavantzis asked about dues paid to the Transportation Management Association (TMA). Les White explained that METRO is a member and gave a brief description of the program.

**5-4. CONSIDERATION OF TORT CLAIMS:
DENY THE CLAIM OF MICHELLE FRANKLIN, CLAIM #07-0005
ACTION REQUESTED AT THE MARCH 9, 2007 BOARD MEETING
DENY THE CLAIM OF THE HERTZ CORPORATION, CLAIM #07-0008**

Margaret Gallagher reported that action is requested today on Claim #07-0005 due to the 45-day time limit.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR SKILLICORN

Refer the Claim of Michelle Franklin, Claim #07-0005 to today's Closed Session Agenda

Motion passed unanimously with Director Stone being absent.

5-5. ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC) AGENDA FOR MARCH 21, 2007 (No Minutes - no February meeting due to lack of quorum)

No questions or comments.

5-6. ACCEPT AND FILE PARACRUZ OPERATIONS STATUS REPORT FOR THE MONTH OF DECEMBER 2006

Chair Tavantzis stated that she appreciated the new data regarding the rides within the "ready window". There was a discussion about on-time performance and Steve Paulson stated that ParaCruz takes the initiative to notify doctors' offices when ParaCruz is running late and is also working with the union to take steps to reduce lateness.

5-7. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT RENEWAL WITH AIRTEC SERVICE FOR HVAC MAINTENANCE SERVICES

No questions or comments.

¹ These corrections were made to the February 23, 2007 Draft Minutes and redistributed to the Board for approval at the March 23, 2007 Board meeting.

5-8. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT RENEWAL WITH MISSION UNIFORM AND LINEN SERVICE FOR UNIFORMS, FLAT GOODS AND LAUNDRY SERVICE

A Revised page #5-8.a1 was distributed at today's meeting.
No questions or comments.

5-9. ACCEPT AND FILE METROBASE STATUS REPORT

Les White clarified that staff was still researching the feasibility of including a pedestrian overpass above Highway 9 and intends to have information to present to the Board in April.

Les White added that staff is still negotiating with Arntz Builders regarding legitimate delays in construction of the Service & Fueling Facility.

REGULAR AGENDA

6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS

This presentation will take place at the March 23, 2007 Board meeting.

7. CONSIDERATION OF APPROVAL OF RESOLUTION OF APPRECIATION FOR THE SERVICES OF LAURA HARRELL AS A BUS OPERATOR FOR THE SANTA CRUZ METROPOLITAN TRASIT DISTRICT

This presentation will take place at the March 23, 2007 Board meeting.

8. CONSIDERATION OF MODIFICATIONS TO THE SANTA CRUZ METRO'S BYLAWS INCLUDING REFORMATTING THE REGULAR BOARD MEETINGS, ADDING LANGUAGE TO REQUIRE DIRECTORS TO FOLLOW CALIFORNIA LAW RE CONFLICTS OF INTEREST AND MAINTAINING CONTROL OF THE CONDUCT OF THE MEETINGS BY THE BOARD CHAIR

Summary:

Margaret Gallagher reported the Board Chair is suggesting that the regular meetings be reformatted to be independent, stand alone meetings whose agendas are not interdependent. There would be two separate agendas and packets, with action on all items at each meeting.

Discussion:

Director Rotkin stated that he supports the idea of two separate agendas, but the public needs to know that the more important issues would always be considered at the second meeting, which is televised. Director Reilly agreed, but stated that it should flow smoothly without staff constantly struggling.

Director Nicol inquired about the history of complaints regarding the current procedure and stated that two separate meetings would create more workload for staff. Vice Chair Beautz replied that all the changes to the second agendas are confusing.

Chair Tavantzis clarified that her suggestion was not to have two completely separate meetings, but rather, reports not included in the first packet would not be listed on the first agenda and items acted upon at the first meeting would be replaced by brand new items on the second agenda. Chair Tavantzis added that all standard purchases, contracts and contract renewals could always go on the consent agenda.

Director Bustichi suggested adding a "review for next agenda" section. Les White reported that staff had discussed the idea of listing an "action agenda" section and a "review for next agenda" section on the first agenda and both meetings would have a consent agenda with action taken. The action items on the first agenda would be replaced by all new action items on the second agenda. Director Rotkin pointed out that items continued to the second meeting would usually have to be renumbered and redistributed, which is what the City of Santa Cruz does with their packets.

Ian McFadden, SEA, commented that he was concerned about how this change would impact the workload of the administrative staff that compile the agenda packets. Margaret Gallagher offered to do a supplemental Staff Report including a mock agenda for March 23rd as if these changes took place so the Board can see what it would look like.

Bonnie Morr, UTU, expressed concern regarding the transparency of fiscal responsibility to the public.

Director Spence stated that she was quite troubled about the tone of the Staff Report and does not mean to create an adversarial relationship between staff and the Board. Director Spence stated that the Staff Report is worded to characterize her as recommending certain things, to prohibit certain things, and it was never her intention to suppress or stifle public comments. Director Spence feels the Staff Report is negative in the way it restates what she said as opposed to how it translated when it came out another person's mind. It was never her intention to limit public comment or to prohibit members of the public from speaking. Director Spence said she did not feel that way and as a Board member she is very cognizant of her responsibility to encourage public comment. Director Spence requested that the considerations for Section 11.01c be removed from the discussion because she does not think it reflects well on her and it is not what she meant.

Les White replied that, clearly, there is no intention of negativity or adversarial actions in the way the Staff Report was put together, but rather, the staff is responding to the specific concerns that were discussed at the last meeting, including the public addressing the Board rather than staff, and conflict of interest.

Vice Chair Beautz stated that other Directors made comments and Director Reilly suggested that the Staff Report could be changed to replace the words "Director Spence" with "Board of Directors". Director Spence stated that she does not think any of the conversation about "suppress" came up at all.

Director Spence stated that she should have the latitude to withdraw the request, if someone else wants to make another report to have it reviewed differently that is fine with her. Ms. Gallagher apologized to Director Spence for upsetting her, explaining that her intention was to explain the issues regarding the different sections.

Director Spence stated that she had another issue worth considering: when people address the Board, they haven't read the Bylaws and she doesn't think they know anything about what goes on in the Bylaws and it takes a great deal of courage for people to get up and speak before the Board and if there is any way you could facilitate letting them know what the procedure is through the agenda or a note on the dais or something, because she thinks it is kind of harsh, if not rude, to interrupt a speaker and tell them to address the Board directly, it comes across very harsh.

Directors Bustichi and Rotkin stated that on occasion, speakers need to be interrupted and instructed to address the Board. Chair Tavantzis stated that the majority of the public speakers are aware they need to address the Board. Ms. Gallagher suggested adding the words "To the Board of Directors" to the Oral & Written Communications item on the agenda. Chair Tavantzis stated that speakers addressing staff directly does not happen very often. Director Spence stated that it gets to the point where maybe the Chair does not know when to interrupt the speaker and then maybe one or two people are correcting the speaker, which is harsh. Director Rotkin stated that aggressive speakers need to be corrected to back off. Director Spence stated she was not disagreeing, but that there should be a method to facilitate people knowing what they are supposed to do.

Director Spence inquired about Section 13.03, regarding conflict of interest on page #8.a1. There was a discussion about how a conflict of interest situation is a complex matter which is determined on a case-by-case basis.

9. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH LNI CUSTOM MANUFACTURING, INC. FOR BUS STOP PASSENGER WAITING SHELTERS

Summary:

Tom Stickel reported that the District has a need to replace existing shelters and add new ones. Mr. Stickel explained that the contract amount is for the larger shelters with optional features, however all shelters actually purchased will not be the largest or have the options.

10. CONSIDERATION OF REVIEW OF SCHEDULE EFFICIENCY OF 2005 AND 2006 BIDS

Summary:

Harlan Glatt reported that in Winter 2005, METRO upgraded its Hastus run-cutting software in order to mitigate the major costs of IWC-9 compliance incurred in the Fall 2005 bid. The software vendor provided basic on-site training and assisted in creating bids in a rushed time-frame.

Staff believes that additional advanced Hastus training in combination with a professional analysis of METRO's service can help to correct schedule inefficiencies and give staff the tools to continue to create more efficient cost-effective service into the future.

Discussion:

Director Rotkin requested the pay to platform average ratio for other agencies the size of METRO, which Les White said he would provide. Director Rotkin also requested the vehicle in-service hours compared to vehicle total hours be included in Attachment "B" for the next meeting.

11. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH TRANSPORTATION MANAGEMENT AND DESIGN, INC. FOR SCHEDULE TRAINING IN HASTUS 2006

No questions or comments.

12. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH CREATIVE BUS SALES FOR PURCHASE OF ONE EACH TYPE 7 PARATRANSIT MEDIUM DUTY BUS AND TWO EACH RAISED TOP TRANSPORTER VANS

Summary:

Tom Stickel reported that these are higher-capacity replacement vehicles which will increase the efficiency of ParaCruz service. These purchases would allow five of the older, high-mileage minivans to be retired or put in a reserve fleet.

13. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN AGREEMENT WITH UC SANTA CRUZ TO PASS THROUGH FUNDING FOR AIR DISTRICT BUS RAPID TRANSIT STUDY TO MONTEREY SALINAS TRANSIT AND TO DESIGNATE AN ADDITIONAL CORRIDOR FOR STUDY

Summary:

Les White explained that this report requested two Board actions: 1) to authorize METRO to enter into an agreement with UCSC for additional BRT funding and then be able to pass the funds through to MST as the lead agency to add the additional UC work, and 2) to identify an additional corridor in Santa Cruz to be studied.

14. CONSIDERATION OF AMENDING THE 2007 FEDERAL LEGISLATIVE PROGRAM TO INCLUDE A REQUEST FOR AN EARMARK OF \$2,000,000 IN THE FY 2008 TRANSPORTATION APPROPRIATIONS BILL FOR THE PACIFIC STATION REDEVELOPMENT PROJECT

Les White reported that Congressman Sam Farr's office has indicated that they want to continue their support for the Pacific Station Redevelopment Project and have requested that METRO submit an earmark request in the amount of \$2,000,000 for that project.

ACTION: MOTION: DIRECTOR BUSTICHI SECOND: DIRECTOR TAVANTZIS

Amend the 2007 Federal Legislative Program to include a request for the inclusion of a \$2,000,000 earmark of funds in the FY 2008 Transportation Appropriations Bill for the Pacific Station Redevelopment Project

Motion passed unanimously with Director Stone being absent.

15. **CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE ARNTZ BUILDERS'S CHANGE ORDER #6 IN THE AMOUNT OF \$74,973.18 FOR ISSUES RELATING TO THE STREAMBED ALTERATION WITH CALIFORNIA DEPARTMENT OF FISH & GAME AGREEMENT FOR THE SERVICE & FUELING BUILDING COMPONENT OF THE METROBASE PROJECT**

Summary:

Frank Cheng reported that the Department of Fish & Game required an extensive redesign of the outfall structure and mitigation for the vegetation removed for the construction of the outfall.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR SKILLICORN

Authorize the General Manager to execute Arntz Builders' Change Order #6 in the amount of \$74,973.18 for issues relating to the Streambed Alteration with California Department of Fish & Game agreement for the Service & Fueling Facility of the MetroBase Project

Motion passed unanimously with Director Stone being absent.

16. **CONSIDERATION OF AN AMENDMENT TO THE CONTRACT WITH WEST BAY BUILDERS, INC. EXTENDING THE CONTRACT EXPIRATION DATE FOR THE METROBASE MAINTENANCE BUILDING TO JANUARY 28, 2010, WHILE MAINTAINING THE CONSTRUCTION COMPLETION DATE OF JULY 28, 2009**

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR BEAUTZ

Approve an amendment to the contract with West Bay Builders, Inc. that extends the contract expiration date to January 28, 2010, while maintaining the construction completion date of July 28, 2009

Discussion:

Frank Cheng stated that there was an error in the first sentence under Summary of Issues. Rather than Arntz Builders, it should be West Bay Builders, Inc.

Motion passed unanimously with Director Stone being absent.

17. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE WEST BAY BUILDERS'S CHANGE ORDER #1 CONTRACT TIME EXTENSION TO TWENTY ONE (21) CALENDAR DAYS FOR THE MAINTENANCE BUILDING COMPONENT OF THE METROBASE PROJECT

Summary:

Frank Cheng reported this change order includes costs to remove and replace unsuitable base material, remove fencing and a time extension of 21 days to have buses, storage containers and an LCNG tank removed from the work site.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR NICOL

Authorize the General Manager to execute West Bay Builders' Change Order #1 Time Extension to twenty-one (21) calendar days for the Maintenance Building Component of the MetroBase Project

Motion passed unanimously with Director Stone being absent.

18. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION: District Counsel

Margaret Gallagher reported that the Board would have a conference with its labor negotiators regarding SEIU, Local 521 and UTU, Local 23, Fixed Route. The Board would also have a conference with its Legal Counsel regarding Tort Claim #07-0005, which is Item #5-4 on today's Open Session Agenda.

19. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

Bonnie Morr pointed out that page #5-8.a1 is a personnel issue that was mistakenly included in the Board Packet. Ms. Morr also stated that UTU has submitted a proposal and letter regarding their Closed Session issue, which is different than SEIU's.

Regarding Item #8, Director Reilly commented that whatever changes are made to the Agenda format, everything possible should be done to avoid using more paper.

SECTION II: CLOSED SESSION

Vice Chair Beautz adjourned to Closed Session at 11:14 a.m. and reconvened to Open Session at 11:50 a.m.

SECTION III: RECONVENE TO OPEN SESSION

20. REPORT OF CLOSED SESSION

Margaret Gallagher reported that the Board took no reportable action in Closed Session.

**5-4. CONSIDERATION OF TORT CLAIMS:
DENY THE CLAIM OF MICHELLE FRANKLIN, CLAIM #07-0005**

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR TAVANTZIS

Deny the claim of Michelle Franklin, Claim #07-0005

Motion passed unanimously with Director Stone being absent.

ADJOURN

There being no further business, Vice Chair Beautz adjourned the meeting at 11:50 a.m.

Respectfully submitted,



CINDI THOMAS
Administrative Services Coordinator

DRAFT

11.10

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- Board of Directors

March 23, 2007

A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, March 23, 2007 at the Santa Cruz City Council Chambers, 809 Center Street, Santa Cruz, CA.

Chair Tavantzis called the meeting to order at 9:02 a.m.

SECTION 1: OPEN SESSION

1. ROLL CALL:

DIRECTORS PRESENT

Jan Beautz
Dene Bustichi
Donald Hagen
Michelle Hinkle
Kirby Nicol
Emily Reilly
Mike Rotkin
Dale Skillicorn
Pat Spence
Mark Stone
Marcela Tavantzis

DIRECTORS ABSENT

Ex-Officio Donna Blitzer

STAFF PRESENT

Ciro Aguirre, Operations Manager
Angela Aitken, Finance Manager
Frank Cheng, MetroBase Project Manager
Mark Dorfman, Assistant General Manager
Mary Ferrick, Base Superintendent
Margaret Gallagher, District Counsel

Harlan Glatt, Sr. Database Administrator
Steve Paulson, Paratransit Administrator
Robyn Slater, Human Resources Manager
Tom Stickel, Maintenance Manager
Les White, General Manager

EMPLOYEES AND MEMBERS OF THE PUBLIC WHO VOLUNTARILY INDICATED THEY WERE PRESENT

Carolyn Derwing, Schedule Analyst
Laura Harrell, UTU Retiree
Sandra Lipperd, UTU
Ian McFadden, Transit Planner
Larry Pageler, UCSC TAPS

Ivan Rusch, Transit User
Chris Schneider, Asst Public Works Dir, SC
Amy Weiss, Spanish Interpreter
Jefferson Woodard
Bob Yount, MAC

2. ORAL AND WRITTEN COMMUNICATION

Written:

- | | | |
|----|---|---------------------|
| a. | Terryn Davis, OTR/L, Dominican Hospital | Re: Service Request |
| b. | ?, OTR/L III, Dominican Hospital | Re: Service Request |
| c. | Pasha Hoth Wilson | Re: Service Request |
| d. | Patricia Laffoon | Re: Service Request |
| e. | Greg McLean | Re: Service Request |
| f. | Angela Pearson | Re: Service Request |
| g. | Carol Stanley | Re: Service Request |
| h. | Simone Rowland | Re: Service Request |
| i. | Antoine Zeiuf | Re: Service Request |

Oral:

Bob Yount, MAC, reported that the last two MAC meetings had been cancelled due to lack of quorum and that member absences is on the agenda and also that there are two vacancies on the committee. Mr. Yount stated he risks his life going to these meetings by exposing himself to cigarette smoke, and that he quit E&D TAC because of the smoking problem. Mr. Yount stated that Caltrans said they would send a representative to a MAC meeting to discuss their construction projects, however, Mr. Yount said he would be very embarrassed if the meeting were cancelled due to lack of quorum.

Ivan Rusch, Transit User, applauded bus operator #553 for an outstanding job and also thanked METRO for installing more triple bike racks on buses. Mr. Rusch suggested that bus operators assist passengers with their bicycles and also suggested that bus operators receive a refresher on current procedures after an extended absence.

Director Spence noted that on page 15 of the current issue of *Transit California*, Les White had been awarded the Small Operator Transit Leadership Award for his accomplishments, leadership, and service.

3. LABOR ORGANIZATION COMMUNICATIONS

Sandra Lipperd, UTU, thanked the Board for listening to the bus operators' concerns and providing security at the Watsonville Transit Center (WTC).

4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

SECTION I:

OPEN SESSION:

CONSENT AGENDA:

REVISE ITEM #5-1

APPROVE REGULAR BOARD MEETING MINUTES OF FEBRUARY 9 & 23, 2007 AND SPECIAL MINUTES OF FEBRUARY 23, 2007
(Replace page # 5-1.12 with REVISED page)

11.12

- ADD TO ITEM #5-4** CONSIDERATION OF TORT CLAIMS
(Insert Claim #07-0009 and Claim #07-0010; Delete Claim #07-0005)
- ADD ITEM #5-10** CONSIDERATION OF RESOLUTIONS AUTHORIZING SUBMITTAL OF FY 2008 TDA AND STA CLAIMS
(Insert Staff Report)
- ADD ITEM #5-11** ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR NOVEMBER 2006 AND APPROVAL OF BUDGET TRANSFERS
(Insert Staff Report)
- ADD ITEM #5-12** ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE FOR MONTH OF JANUARY 2007
(Insert Staff Report)
- ADD ITEM #5-13** ACCEPT AND FILE FEBRUARY 2007 RIDERSHIP REPORT
(Insert Staff Report)
- ADD ITEM #5-14** ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR DECEMBER 2006
(Insert Staff Report)
- REGULAR AGENDA:**
DELETE ITEM #8 CONSIDERATION OF MODIFICATIONS TO THE SANTA CRUZ METRO'S BYLAWS INCLUDING REFORMATTING THE REGULAR BOARD MEETINGS, ADDING LANGUAGE TO REQUIRE DIRECTORS TO FOLLOW CALIFORNIA LAW RE CONFLICTS OF INTEREST AND MAINTAINING CONTROL OF THE CONDUCT OF THE MEETINGS BY THE BOARD CHAIR
- ADD TO ITEM #10** CONSIDERATION OF REVIEW OF SCHEDULE EFFICIENCY OF 2005 AND 2006 BIDS
(Replace Attachment "B" with REVISED Attachment "B")
- DELETE ITEM # 14** CONSIDERATION OF AMENDING THE 2007 FEDERAL LEGISLATIVE PROGRAM TO INCLUDE A REQUEST FOR AN EARMARK OF \$2,000,000 IN THE FY 2008 TRANSPORTATION APPROPRIATIONS BILL FOR THE PACIFIC STATION REDEVELOPMENT PROJECT
(Deleted: Action taken at the March 9, 2007 Board Meeting)
- DELETE ITEM #15** CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE ARNTZ BUILDERS'S CHANGE ORDER #6 IN THE AMOUNT OF \$74,973.18 FOR ISSUES RELATING TO THE STREAMBED ALTERATION WITH CALIFORNIA DEPARTMENT OF FISH & GAME AGREEMENT FOR THE SERVICE & FUELING BUILDING COMPONENT OF THE METROBASE PROJECT
(Deleted: Action taken at the March 9, 2007 Board Meeting)
- DELETE ITEM #16** CONSIDERATION OF AN AMENDMENT TO THE CONTRACT WITH WEST BAY BUILDERS, INC. EXTENDING THE CONTRACT EXPIRATION DATE FOR THE METROBASE MAINTENANCE BUILDING TO JANUARY 28, 2010, WHILE MAINTAINING THE CONSTRUCTION COMPLETION DATE OF JULY 28, 2009
(Deleted: Action taken at the March 9, 2007 Board Meeting)

- DELETE ITEM #17** CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE WEST BAY BUILDERS'S CHANGE ORDER #1 CONTRACT TIME EXTENSION TO TWENTY ONE (21) CALENDAR DAYS FOR THE MAINTENANCE BUILDING COMPONENT OF THE METROBASE PROJECT
(Deleted: Action taken at the March 9, 2007 Board Meeting)
- ADD ITEM #18** CONSIDERATION OF APPROVAL OF FY 07-08 PRELIMINARY LINE ITEM BUDGET FOR REVIEW AND CLAIMS PURPOSES
(Insert Staff Report)
- ADD ITEM #19** CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH PROMETHEUS ENERGY FOR SUPPLY AND DELIVERY OF LIQUEFIED NATURAL GAS
(Insert Staff Report)
- ADD ITEM #20** CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A THREE YEAR EXTENSION OF THE MEMORANDUM OF UNDERSTANDING FOR HIGHWAY 17 CONSOLIDATED SERVICE
(Insert Staff Report)
- ADD ITEM #21** CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A THREE YEAR CONTRACT EXTENSION WITH AMTRAK FOR HIGHWAY 17 SERVICE
(Insert Staff Report)
- ADD ITEM #22** CONSIDERATION OF STATUS OF FEDERAL LEGISLATION AND REPORT REGARDING THE AMERICAN PUBLIC TRANSPORTATION ASSOCIATION 2007 LEGISLATIVE CONFERENCE
(Insert Staff Report)
- ADD ITEM #23** REQUEST TO THE SCCRTC TO PROGRAM \$500,000 IN STIP AUGMENTATION FOR THE HIGHWAY 1/9 INTERSECTION IMPROVEMENT PROGRAM
(Insert Staff Report)

CONSENT AGENDA

- 5-1. APPROVE REGULAR BOARD MEETING MINUTES OF FEBRUARY 9 & 23, 2007 AND SPECIAL MINUTES OF FEBRUARY 23, 2007
- 5-2. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS FOR THE MONTH OF FEBRUARY 2007
- 5-4. CONSIDERATION OF TORT CLAIMS:
Claim #07-0005 Deleted: Action taken at the March 9, 2007 Board Meeting
DENY THE CLAIM OF THE HERTZ CORPORATION, CLAIM #07-0008
- 5-5. ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC) AGENDA FOR MARCH 21, 2007 (No Minutes - no February meeting due to lack of quorum)
- 5-6. ACCEPT AND FILE PARACRUZ OPERATIONS STATUS REPORT FOR THE MONTH OF DECEMBER 2006

11.14

- 5-7. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT RENEWAL WITH AIRTEC SERVICE FOR HVAC MAINTENANCE SERVICES
- 5-8. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT RENEWAL WITH MISSION UNIFORM AND LINEN SERVICE FOR UNIFORMS, FLAT GOODS AND LAUNDRY SERVICE
- 5-9. ACCEPT AND FILE METROBASE STATUS REPORT
- 5-10. CONSIDERATION OF RESOLUTIONS AUTHORIZING SUBMITTAL OF FY 2008 TDA AND STA CLAIMS
- 5-11. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR NOVEMBER 2006 AND APPROVAL OF BUDGET TRANSFERS
- 5-12. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE FOR MONTH OF JANUARY 2007
- 5-13. ACCEPT AND FILE FEBRUARY 2007 RIDERSHIP REPORT
- 5-14. ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR DECEMBER 2006

Discussion:

Regarding Item #5-6, Director Spence commented that the Central Coast Alliance for Health was reducing transportation services and that an article had referred to METRO ParaCruz as a low cost option. Director Spence expressed concern about the heavy influx of new users and its potential impact on METRO ParaCruz and she suggested that staff monitor the situation. Les White replied that METRO is already experiencing a significant impact and staff is planning on bringing a report regarding this to the Board.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR SKILLICORN

Approve the Consent Agenda

Motion passed by unanimous affirmative voice vote in lieu of a roll call vote for Item #5-10 with all Directors present.

REGULAR AGENDA

6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS

The following employee was awarded a longevity certificate for his years of service:

TWENTY YEARS

J. Valentin Rodriguez, Fleet Maintenance Mechanic III

7. CONSIDERATION OF APPROVAL OF RESOLUTION OF APPRECIATION FOR THE SERVICES OF LAURA HARRELL AS A BUS OPERATOR FOR THE SANTA CRUZ METROPOLITAN TRASIT DISTRICT

11.15

Chair Tavantzis presented recent METRO retiree, Laura Harrell, with a Resolution of Appreciation from the METRO in recognition of her years of service. Ms. Harrell accepted the plaque and thanked METRO and the Board for the opportunity to serve the community for so many years.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR SKILLICORN

Adopt Resolution of appreciation for the services of Laura Harrell as a Bus Operator for the Santa Cruz Metropolitan Transit District

Motion passed by unanimous affirmative voice vote in lieu of a roll call vote with all Directors present.

Vice Chair Beautz suggested adding a comment to the Agenda stating that a unanimous affirmative voice vote is in lieu of a roll call vote so the statement does not have to be made orally each time a Resolution is voted upon. Margaret Gallagher replied that she would research the issue.

Chair Tavantzis stated that Items #8 and #19 had been deleted from today's Agenda.

9. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH LNI CUSTOM MANUFACTURING, INC. FOR BUS STOP PASSENGER WAITING SHELTERS

Summary:

Tom Stickel reported that the District has a need to replace existing shelters and add new ones. Mr. Stickel explained that the contract amount is for the larger shelters with optional features, however all shelters actually purchased will not be the largest nor will the options be exercised on all.

ACTION: MOTION: DIRECTOR SKILLICORN SECOND: DIRECTOR ROTKIN

Authorize the General Manager to execute a contract for bus stop passenger waiting shelters with LNI Custom Manufacturing, Inc. for an amount not to exceed \$55,400.00

Motion passed unanimously with all Directors present.

10. CONSIDERATION OF REVIEW OF SCHEDULE EFFICIENCY OF 2005 AND 2006 BIDS

Summary:

Mark Dorfman reported that a presentation had been given at the last Board meeting and that the information requested by Director Rotkin regarding the vehicle in-service hours compared to vehicle total hours is included at the bottom of Revised Attachment "B".

11.16

ACTION: MOTION: DIRECTOR REILLY SECOND: DIRECTOR ROTKIN

Accept and file review of schedule efficiency of 2005 and 2006 bids

Motion passed unanimously with all Directors present.

11. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH TRANSPORTATION MANAGEMENT AND DESIGN, INC. FOR SCHEDULE TRAINING IN HASTUS 2006

Summary:

Tom Stickel reported that this contract would provide training for the Hastus program explained at the last meeting.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR REILLY

Authorize the General Manager to execute a contract for schedule training in Hastus 2006 with Transportation Management & Design, Inc. for an amount not to exceed \$69,635.00

Motion passed unanimously with all Directors present.

12. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH CREATIVE BUS SALES FOR PURCHASE OF ONE EACH TYPE 7 PARATRANSIT MEDIUM DUTY BUS AND TWO EACH RAISED TOP TRANSPORTER VANS

Summary:

Tom Stickel reported that these are higher-capacity replacement ParaCruz vehicles utilizing the State contract.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR BUSTICHI

Authorize the General Manager to use the State of California, Department of General Services contract for the purchase of one each type 7 Paratransit medium-duty bus and two each raised top transporter vans from Creative Bus Sales, Inc. for a total amount not to exceed \$209,896.00

Motion passed unanimously with all Directors present.

13. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN AGREEMENT WITH UC SANTA CRUZ TO PASS THROUGH FUNDING FOR AIR DISTRICT BUS RAPID TRANSIT STUDY TO MONTEREY SALINAS TRANSIT AND TO DESIGNATE AN ADDITIONAL CORRIDOR FOR STUDY

11.17

Summary:

Mark Dorfman reported that about a year ago, MST and METRO were successful in their joint proposal to get \$80,000 in funding from the Air District to perform a study of Bus Rapid Transit (BRT) in the Monterey Bay Region. The original study called for one corridor in each county and one inter-regional corridor to be examined. UC is interested in doing additional work on the corridor to the University they previously initiated and METRO has requested the ability to add more funds that UC could use to further their study.

The second part of this project is to identify an additional corridor in Santa Cruz to be studied. Staff is proposing either the Watsonville to Santa Cruz Corridor from Pacific Station to Watsonville, or the Soquel Corridor from Pacific Station to the Santa Cruz City Limits.

Discussion:

Vice Chair Beautz asked if the County Public Works was aware of this and Mr. Dorfman replied affirmatively, through the ITAC committee. Vice Chair Beautz asked if this was being considered as an alternative to HOV lanes and stated she would not support BRT because it will disrupt traffic on Soquel even more and feels that Supervisor Pirie should have input on this. Director Beautz stated that she does not support any BRT system that benefits the transit system at the expense of other traffic.

Mr. Dorfman explained that this is not a study to put an HOV lane on Soquel, but is assuming that the planning being performed in this region includes an HOV lane on the Highway. Mr. Dorfman then explained several different levels of BRT that could be looked at. The study would look at multiple levels of BRT to determine what form of BRT would benefit a specific corridor.

Director Rotkin clarified that the question is not if METRO would support BRT at the expense of Highway HOV lanes, it is how can BRT be integrated in the future HOV lanes, which would benefit buses and cars. Director Rotkin explained that different types of BRT could improve the transit system without negatively impacting other traffic at all.

Director Stone stated that as Transit Board, one of their responsibilities is to look at operational improvements in terms of the future and feels that it is worthwhile to look at the information this study can provide, as that information becomes part of the broader transportation discussion.

Director Bustichi asked about METRO funding and staff time involved and if the study would still happen without METRO's involvement. Mark Dorfman replied that the study is fully funded by the Air District and UC. Mr. Dorfman said that staff time would be spent on directing and monitoring the study and sitting on review panels and that if METRO were not involved, MST would get all the funding.

Director Reilly asked if MST had indicated interest in the Watsonville corridor ultimately connecting with Monterey and asked which corridor staff recommended. Mr. Dorfman replied MST had not yet, that it was too early in the study process; and that staff recommends the smaller corridor, from Pacific Station to the City Limits, as it would have the best operating improvement.

Bob Yount stated he supports the study.

Director Nicol stated there is a direct relationship between traffic on surface routes and Highway 1 congestion and feels that express BRT is the only solution and that METRO should support any study in this direction.

ACTION: MOTION: DIRECTOR NICOL SECOND: DIRECTOR SPENCE

Authorize staff to enter into an agreement with UC Santa Cruz to pass through funding to the Air District Bus Rapid Transit Study to Monterey Salinas Transit and to designate the Watsonville to Santa Cruz Corridor as the additional corridor for study in Santa Cruz County

Discussion:

Director Rotkin asked Larry Pageler which corridor UC would recommend. Mr. Pageler stated that UC did not have a preference and that when he heard this discussion, he had thought of the needs to serve Cabrillo College, which has a significant number of transit users and whatever happens with the highway, it still needs to be connected with destinations like Cabrillo, Dominican, etc., and the longer corridor may benefit Cabrillo.

Vice Chair Beautz asked why carpools and buses would use the highway HOV lanes and then buses, which are basically irritating to general traffic, would use Soquel instead. Les White replied that was not an accurate picture nor would it be looked at in the study, then explained different scenarios of BRT improvements in addition to the future HOV express buses. Mr. White also explained that METRO would be involved in the entire process by being on the steering committee and managing the consultants' work in Santa Cruz. Mr. Dorfman added that at the first meeting there were planning agencies from both counties, public works and traffic engineers were invited, and Caltrans would also be involved, who would all be part of the technical advisory committee.

There was further discussion of the possibilities with Vice Chair Beautz maintaining her opinion that improvement for buses will be at the expense of other traffic. Director Rotkin added that different BRT options give different groups of traffic priority at certain times and that his inclination was to study the shorter route.

Director Bustichi stated that he feels it would be more beneficial to study the shorter corridor now.

Chair Tavantzis commented that she has a real problem with the way the Staff Report is written stating "Part of the work would identify whether a BRT service would operate more effectively on Soquel or the HOV lane on Highway 1", because it is stating one or the other and does not include how to combine the two. Chair Tavantzis stated that this sentence would need to be corrected or she would have to support the shorter corridor study and that it is naïve to say that the results of the study will not be implemented because public transit users are going to want suggested improvements followed up on, therefore she would not support doing a study even with "free money" if there is no intent to implement the results.

11.19

Mark Dorfman explained that BRT is usually not an express bus and HOV works very well as an express link and it is different levels of service for different solutions and does not have to be an either/or situation. Mr. Dorfman also said that he would recommend the smaller study because the possibility of implementing the results is much greater.

Director Nicol stated that he does not view the Watsonville to Santa Cruz choice and an either/or option at all because both would have to be studied, resulting in a more comprehensive study, in order to come up with a recommendation.

Director Hagen stated that it is incomprehensible to him to consider any study that would disregard south county.

Director Spence asked about current routes and said that the Nolte study for the HOV lanes has asked METRO to specify recommendations for exits and park & ride lots, suggesting that Larkin Valley and / or State Park Drive may be possibilities.

Director Reilly asked if the Watsonville to Santa Cruz study would take into account highway construction. Mark Dorfman replied that most likely, it would assume the construction was completed.

Director Rotkin proposed the following two-part amendment to the motion:

- ACTION: AMENDMENT: DIRECTOR ROTKIN SECOND: DIRECTOR BUSTICHI**
- Part 1) Amend language in the first bullet of the Staff Report on page #13.2 to read:
“Part of the work would identify optimum BRT service with respect to Highway
1 and/or Soquel Drive”**
- Part 2) Study the Soquel corridor from City of Santa Cruz Limits to Pacific Station**

The maker of the motion did not accept this amendment. Director Rotkin withdrew Part 1 of his amendment as follows:

- ACTION: AMENDMENT: DIRECTOR ROTKIN SECOND: DIRECTOR BUSTICHI**
- Study the Soquel corridor from City of Santa Cruz Limits to Pacific Station**

Motion to amend failed with Directors Beautz, Bustichi, Hinkle and Rotkin voting yes; and Directors Hagen, Nicol, Reilly, Skillicorn, Spence, Stone and Tavantzis voting no.

Director Rotkin then proposed Part 1 of his previous amendment, which was accepted as a friendly amendment by the original maker and second and the following amended motion was voted upon:

ACTION: MOTION: DIRECTOR NICOL SECOND: DIRECTOR SPENCE

Authorize staff to enter into an agreement with UC Santa Cruz to pass through funding to the Air District Bus Rapid Transit Study to Monterey Salinas Transit and to designate the Watsonville to Santa Cruz Corridor as the additional corridor for study in Santa Cruz County. Amend language in the first bullet of the Staff Report on page #13.2 to read: “Part of the work would identify optimum BRT service with respect to Highway 1 and/or Soquel Drive”

Motion passed with Director Bustichi voting no.

18. CONSIDERATION OF APPROVAL OF FY 07-08 PRELIMINARY LINE ITEM BUDGET FOR REVIEW AND CLAIMS PURPOSES

Summary:

Mark Dorfman reported that approving the preliminary budget is an annual step in the budget process, which is expressly for review and claims purposes. This is the second year of a two-year budget and the budget workshop with Union representatives is planned for May to answer questions and obtain input. The budget will come back to the Board in May before it is adopted in June.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR SKILLICORN

Adopt the preliminary line item budget for FY 07-08 for review and TDA/STA claims purposes

Motion passed unanimously with all Directors present.

ITEMS #20 AND #21 WERE TAKEN TOGETHER AS ONE ITEM

20. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A THREE YEAR EXTENSION OF THE MEMORANDUM OF UNDERSTANDING FOR HIGHWAY 17 CONSOLIDATED SERVICE

21. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A THREE YEAR CONTRACT EXTENSION WITH AMTRAK FOR HIGHWAY 17 SERVICE

Summary:

Les White reported that the MOU with the Highway 17 service funding partners (Caltrans, the Capitol Corridor Joint Powers Authority and VTA) and the contract with AMTRAK, will both expire on April 25, 2007.

Mr. White explained that, subsequent to submitting the Staff Report, staff had a meeting with the Highway 17 group and there are some details of the formula that need to be worked out. If the terms end up remaining the same as they are currently, staff is requesting authority to enter into a

three-year extension. However, if the terms are modified staff requests authorization to enter into a one-month extension under the current terms and then bring the modified agreements back to the Board for consideration.

ACTION: MOTION: DIRECTOR NICOL SECOND: DIRECTOR ROTKIN

If the formula terms remain the same, authorize the General Manager to execute an amendment to the Memorandum of Understanding (MOU) for Highway 17 consolidated service to extend the MOU for an additional three years; and authorize the General Manager to execute an amendment to the contract for thruway bus services with National Railroad Passenger Corporation (AMTRAK) for an additional three years.

If the formula is modified, authorize the General Manager to enter into a one-month extension to the MOU and contract under the current terms and then bring the modified agreements back to the Board for consideration.

Motion passed unanimously with all Directors present.

22. CONSIDERATION OF STATUS OF FEDERAL LEGISLATION AND REPORT REGARDING THE AMERICAN PUBLIC TRANSPORTATION ASSOCIATION 2007 LEGISLATIVE CONFERENCE

Summary:

Les White reported that he, Director Bustichi and his son, Giovanni, and Director Rotkin attended the APTA Legislative Conference in Washing, DC last week. In addition to the meetings that were included in the Conference, METRO representatives met with members of Congress, Congressional Staff, and FTA Staff to discuss pending legislation that would affect METRO. The majority of the individuals in the Congressional offices visited during the Conference committed to support METRO's requested "earmarks" in their top priority requests.

Discussion:

Directors Rotkin, Bustichi, and Reilly added that METRO is very well-served by Les White, who is well-known, well-received and respected in DC and that Mr. White's national connections in the transit industry are very beneficial to METRO as well.

23. CONSIDERATION OF SENDING A LETTER SUPPORTING THE CITY OF SANTA CRUZ REQUEST TO THE SCCRTC TO PROGRAM \$500,000 IN STIP AUGMENTATION FOR THE HIGHWAY 1/9 INTERSECTION IMPROVEMENT PROGRAM

Summary:

Les White reported that the City of Santa Cruz had requested a letter of support from METRO for its request to the SCCRTC to program \$500,000 in the STIP Augmentation for the Highway 1/9 Intersection Improvement Project, which will assist in facilitating traffic flow for METRO fixed route buses.

Discussion:

Vice Chair Beautz stated that she does not support this and was surprised and disappointed to see it on the Agenda and feels it is a mistake bringing it before the Board because it has nothing to do with transit and opens the door to put METRO in a political position to support certain projects and not others.

Director Reilly stated that she had spoken to Mr. White and requested that the item be added to the Agenda and feels it is important for the Board to determine if the project would benefit METRO.

Chris Schneider, Assistant Public Works Director for the City of Santa Cruz, gave the history and status of the project and explained that Caltrans is requiring the City to improve the intersection.

Director Rotkin stated he supports this because this project affects nearly every METRO bus since it is only a few blocks from the Operations Yard.

Directors Nicol, Bustichi, Skillicorn and Spence all commented in agreement with Vice Chair Beautz.

ACTION: MOTION: DIRECTOR BEAUTZ SECOND: DIRECTOR NICOL

Do not authorize the Chair to send a letter to the SCCRTC supporting the City of Santa Cruz request to program \$500,000 in the STIP Augmentation for the Highway 1/9 Intersection Improvement Project

Discussion:

Les White stated that he would not present a recommendation to the Board for just any project and that this particular project specifically affects METRO. Mr. White explained METRO's ongoing struggles with Caltrans, including Caltrans' comments in response to the EIR requiring METRO to improve this intersection when Phase II of MetroBase is built. METRO's long-term goal is to consolidate into all METRO-owned facilities and from a practical standpoint, sooner or later the General Manager is going to have to deal with this intersection to expand METRO in the future and this is a way to address Caltrans' comments regarding Phase II of MetroBase without METRO bearing the cost.

Vice Chair Beautz commented that she finds the process very troubling that one Director can meet with the General Manager and get an item on the Agenda at the last minute, especially a controversial one.

Director Nicol stated that although he respects Les White's position and concern for METRO's future, the timing is unfortunate.

Director Reilly spoke in defense of her position that she feels this is a regional project that would benefit METRO.

Mr. White added that this is not a new issue and he has always maintained his position that this project is the state's responsibility and not a METRO responsibility. Mr. White also stated that his door is always open to Board members and suggested that he and the Board have a discussion regarding the disappointment that the Board is expressing that certain Board members may have more political influence over him than others, which is untrue.

Motion failed with Directors Beautz, Bustichi, Nicol, Spence and Skillicorn voting yes and Directors Hagen, Hinkle, Reilly, Rotkin, Stone and Tavantzis voting no.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR REILLY

Authorize the Chair to send a letter to the SCCRTC supporting the City of Santa Cruz request to program \$500,000 in the STIP Augmentation for the Highway 1/9 Intersection Improvement Project

Motion passed with Directors Hagen, Hinkle, Reilly, Rotkin, Stone and Tavantzis voting yes and Directors Beautz, Bustichi, Nicol, Spence and Skillicorn voting no.

24. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION: District Counsel

Margaret Gallagher reported that the Board would have a conference with its Legal Counsel regarding two cases of existing litigation before the Workers' Compensation Appeals Board and one case of anticipated litigation. Item #3 was deleted.

25. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

None.

SECTION II: CLOSED SESSION

Chair Tavantzis adjourned to Closed Session at 11:21 a.m. and reconvened to Open Session at 11:59 a.m.

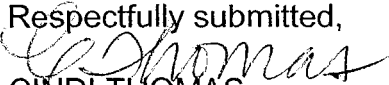
SECTION III: RECONVENE TO OPEN SESSION

26. REPORT OF CLOSED SESSION

Margaret Gallagher reported that the Board took no reportable action in Closed Session.

ADJOURN

There being no further business, Chair Tavantzis adjourned the meeting at 11:59 a.m.

Respectfully submitted,

CINDI THOMAS
Administrative Services Coordinator

11.24

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: April 27, 2007

TO: Board of Directors

FROM: Angela Aitken, Finance Manager

SUBJECT: MONTHLY BUDGET STATUS REPORT FOR DECEMBER 2006

I. RECOMMENDED ACTION

Staff recommends that the Board of Directors approve the budget status report for December 2006.

II. SUMMARY OF ISSUES

- **Operating Revenues** for the Dec 06 YTD was \$16,835,433 or \$752,928 (4.7%) over the amount of revenue expected during the first half (50%) of the fiscal year.
- **Operating Expenses** for Dec 06 YTD was \$16,378,700 or 45.5% of the budget.
- **Capital Improvement Program** for the Dec 06 YTD was \$3,523,146 or 9.2% of the budget.

III. DISCUSSION

An analysis of the District's budget status is prepared monthly in order to apprise the Board of Directors of the District's actual revenues and expenses in relation to the adopted operating and capital budgets for the fiscal year. The attached monthly revenue and expense report represents the status of the District's FY 06-07 annual budget as of December 31, 2006. The fiscal year has elapsed 50%.

A. Operating Revenues

Revenues are \$752,928 over the amount of revenue projected for the period due to sales tax receipts exceeding budget estimates. Other revenue variances are explained in the notes following the report.

B. Operating Expenses

Operating expenses for the year to date total \$16,378,700 or 45.5% of the budget. Variances are explained in the notes following the report.

C. Capital Improvement Program

YTD, a total of \$3,523,146 or 9.2% has been expended on the Capital Improvement Program. Of this, \$3,275,677 (93%) has been spent on MetroBase.

IV. FINANCIAL CONSIDERATIONS

None.

V. ATTACHMENTS

Attachment A: Revenue and Expense Report for December 2006

MONTHLY REVENUE AND EXPENSE REPORT
OPERATING REVENUE - DECEMBER 2006

Attachment **A**

| Operating Revenue | FY 06-07 Budgeted for Month | FY 06-07 Actual for Month | FY 06-07 Budgeted YTD | FY 05-06 Actual YTD | FY 06-07 Actual YTD | YTD Variance from Budgeted | |
|-------------------------------------|-----------------------------------|---------------------------------|--------------------------|------------------------|------------------------|-------------------------------|------------|
| Passenger Fares | \$ 279,385 | \$ 220,196 | \$ 1,763,407 | \$ 1,302,340 | \$ 1,655,128 | \$ (108,279) | |
| Paratransit Fares | \$ 19,954 | \$ 13,680 | \$ 119,127 | \$ 110,599 | \$ 109,178 | \$ (9,949) | |
| Special Transit Fares | \$ 109,297 | \$ 99,126 | \$ 988,026 | \$ 517,704 | \$ 1,094,498 | \$ 106,472 | |
| Highway 17 Revenue | \$ 102,603 | \$ 99,815 | \$ 572,171 | \$ 435,192 | \$ 626,558 | \$ 54,387 | |
| <i>Subtotal Passenger Rev</i> | \$ 511,239 | \$ 432,817 | \$ 3,442,731 | \$ 2,365,835 | \$ 3,485,362 | \$ 42,631 | See Note 1 |
| Advertising Income | \$ 10,000 | \$ 8,390 | \$ 60,000 | \$ 29,695 | \$ 120,250 | \$ 60,250 | See Note 2 |
| Commissions | \$ 500 | \$ 420 | \$ 3,000 | \$ 2,562 | \$ 3,019 | \$ 19 | |
| Rent Income | \$ 11,932 | \$ 7,893 | \$ 71,592 | \$ 71,741 | \$ 72,582 | \$ 990 | |
| Interest - General Fund | \$ 84,932 | \$ 120,268 | \$ 464,109 | \$ 483,782 | \$ 665,232 | \$ 201,123 | See Note 3 |
| Non-Transportation Rev | \$ 500 | \$ 3,871 | \$ 178,250 | \$ 158,497 | \$ 206,518 | \$ 28,268 | See Note 4 |
| Sales Tax Income | \$ 1,757,284 | \$ 1,452,679 | \$ 8,611,324 | \$ 8,611,324 | \$ 9,030,970 | \$ 419,646 | See Note 5 |
| TDA Funds | \$ 1,541,459 | \$ 1,612,709 | \$ 3,082,917 | \$ 2,838,843 | \$ 3,082,917 | \$ - | |
| FTA Op Asst - Sec 5307 | \$ - | \$ - | \$ - | \$ 2,250,942 | \$ - | \$ - | |
| FTA Op Asst - Sec 5311 | \$ - | \$ - | \$ 168,582 | \$ 65,475 | \$ 168,582 | \$ - | |
| FY 05-06 Carryover | \$ - | \$ - | | \$ - | \$ - | \$ - | |
| Transfer from Reserves | \$ - | \$ - | | \$ - | \$ - | \$ - | |
| Transfer from Insurance Reserves | \$ - | \$ - | | \$ - | \$ - | \$ - | |
| Transfer - Proj Mgr | \$ - | \$ - | | \$ - | \$ - | \$ - | |
| Total Operating Revenue | \$ 3,917,846 | \$ 3,639,047 | \$ 16,082,505 | \$ 16,878,696 | \$ 16,835,432 | \$ 752,927 | |

**MONTHLY REVENUE AND EXPENSE REPORT
OPERATING EXPENSE SUMMARY - DECEMBER 2006**

| | FY 06-07 Final Budget | FY 06-07 Revised Budget | FY 05-06 Expended YTD | FY 06-07 Expended YTD | Percent Expended of Budget | |
|---|--------------------------|----------------------------|--------------------------|--------------------------|----------------------------------|------------|
| PERSONNEL ACCOUNTS | | | | | | |
| Administration | \$ 966,287 | \$ 960,080 | \$ 397,535 | \$ 437,990 | 45.6% | |
| Finance | \$ 572,352 | \$ 558,210 | \$ 239,784 | \$ 225,892 | 40.5% | |
| Customer Service | \$ 482,804 | \$ 482,804 | \$ 188,732 | \$ 191,954 | 39.8% | |
| Human Resources | \$ 468,664 | \$ 468,664 | \$ 160,470 | \$ 180,435 | 38.5% | |
| Information Technology | \$ 466,252 | \$ 466,252 | \$ 211,514 | \$ 223,088 | 47.8% | |
| District Counsel | \$ 404,446 | \$ 404,446 | \$ 174,083 | \$ 186,113 | 46.0% | |
| Facilities Maintenance | \$ 946,857 | \$ 946,857 | \$ 441,341 | \$ 461,271 | 48.7% | |
| Paratransit Program | \$ 2,913,145 | \$ 2,913,145 | \$ 1,258,147 | \$ 1,314,740 | 45.1% | |
| Operations | \$ 2,010,685 | \$ 2,010,685 | \$ 859,035 | \$ 983,029 | 48.9% | |
| Bus Operators | \$ 13,634,430 | \$ 13,632,430 | \$ 5,067,845 | \$ 6,187,414 | 45.4% | |
| Fleet Maintenance | \$ 3,928,485 | \$ 3,928,485 | \$ 1,751,613 | \$ 1,753,426 | 44.6% | |
| Retired Employees/COBRA | \$ 1,251,291 | \$ 1,251,291 | \$ 514,191 | \$ 737,303 | 58.9% | See Note 6 |
| Total Personnel | \$ 28,045,699 | \$ 28,023,350 | \$ 11,264,289 | \$ 12,882,656 | 46.0% | |
| NON-PERSONNEL ACCOUNTS | | | | | | |
| Administration | \$ 706,589 | \$ 712,796 | \$ 348,910 | \$ 352,106 | 49.4% | |
| Finance | \$ 937,123 | \$ 951,265 | \$ 391,764 | \$ 303,768 | 31.9% | |
| Customer Service | \$ 112,469 | \$ 112,469 | \$ 25,340 | \$ 39,942 | 35.5% | |
| Human Resources | \$ 61,733 | \$ 61,733 | \$ 15,583 | \$ 52,064 | 84.3% | See Note 7 |
| Information Technology | \$ 138,140 | \$ 138,140 | \$ 104,530 | \$ 74,099 | 53.6% | See Note 8 |
| District Counsel | \$ 17,943 | \$ 17,943 | \$ 19,677 | \$ 7,532 | 42.0% | |
| Risk Management | \$ 245,027 | \$ 245,027 | \$ 170,357 | \$ 67,122 | 27.4% | |
| Facilities Maintenance | \$ 378,572 | \$ 378,572 | \$ 134,714 | \$ 194,799 | 51.5% | See Note 9 |
| Paratransit Program | \$ 732,898 | \$ 732,898 | \$ 290,969 | \$ 308,504 | 42.1% | |
| Operations | \$ 619,922 | \$ 619,922 | \$ 319,608 | \$ 276,078 | 44.5% | |
| Bus Operators | \$ 5,000 | \$ 7,000 | \$ 147 | \$ 2,569 | 36.7% | |
| Fleet Maintenance | \$ 3,958,386 | \$ 3,958,386 | \$ 1,259,094 | \$ 1,817,183 | 45.9% | |
| SCCIC | \$ 500 | \$ 500 | \$ 250 | \$ 280 | 56.0% | |
| Total Non-Personnel | \$ 7,914,301 | \$ 7,936,650 | \$ 3,080,944 | \$ 3,496,045 | 44.0% | |
| Total Operating Expense | \$ 35,960,000 | \$ 35,960,000 | \$ 14,345,233 | \$ 16,378,700 | 45.5% | |
| YTD Operating Revenue Over YTD Expense | | | | \$ 456,732 | | |

**CONSOLIDATED OPERATING EXPENSE
DECEMBER 2006**

| | FY 06-07 Final Budget | FY 06-07 Revised Budget | FY 05-06 Expended YTD | FY 06-07 Expended YTD | % Exp YTD of Budget | |
|--------------------------------|--------------------------|----------------------------|--------------------------|--------------------------|------------------------|-------------|
| LABOR | | | | | | |
| Operators Wages | \$ 8,548,386 | \$ 8,548,386 | \$ 2,878,890 | \$ 3,533,373 | 41.3% | |
| Operators Overtime | \$ 1,359,914 | \$ 1,359,914 | \$ 669,488 | \$ 623,270 | 45.8% | |
| Other Salaries & Wages | \$ 6,048,264 | \$ 6,025,415 | \$ 2,317,581 | \$ 2,735,649 | 45.4% | |
| Other Overtime | \$ 246,200 | \$ 248,700 | \$ 108,888 | \$ 123,502 | 49.7% | |
| | \$ 16,202,764 | \$ 16,182,415 | \$ 5,974,847 | \$ 7,015,795 | 43.4% | |
| FRINGE BENEFITS | | | | | | |
| Medicare/Soc Sec | \$ 245,815 | \$ 245,815 | \$ 77,195 | \$ 92,586 | 37.7% | |
| PERS Retirement | \$ 2,078,184 | \$ 2,078,184 | \$ 873,114 | \$ 885,104 | 42.6% | |
| Medical Insurance | \$ 3,876,236 | \$ 3,876,236 | \$ 1,689,904 | \$ 2,288,733 | 59.0% | See Note 10 |
| Dental Plan | \$ 481,836 | \$ 481,836 | \$ 241,616 | \$ 221,208 | 45.9% | |
| Vision Insurance | \$ 153,182 | \$ 153,182 | \$ 66,426 | \$ 64,052 | 41.8% | |
| Life Insurance | \$ 46,691 | \$ 46,691 | \$ 21,526 | \$ 23,641 | 50.6% | See Note 11 |
| State Disability Ins | \$ 349,704 | \$ 349,704 | \$ 80,249 | \$ 88,567 | 25.3% | |
| Long Term Disability Ins | \$ 201,006 | \$ 201,006 | \$ 89,573 | \$ 89,482 | 44.5% | |
| Unemployment Insurance | \$ 91,645 | \$ 91,645 | \$ 22,422 | \$ 19,798 | 21.6% | |
| Workers Comp | \$ 1,396,681 | \$ 1,396,681 | \$ 457,910 | \$ 625,152 | 44.8% | |
| Absence w/ Pay | \$ 2,832,656 | \$ 2,832,656 | \$ 1,635,910 | \$ 1,398,468 | 49.4% | |
| Other Fringe Benefits | \$ 89,301 | \$ 87,301 | \$ 33,589 | \$ 70,071 | 80.3% | See Note 12 |
| | \$ 11,842,935 | \$ 11,840,935 | \$ 5,289,434 | \$ 5,866,861 | 49.5% | |
| SERVICES | | | | | | |
| Accng/Admin/Bank Fees | \$ 326,850 | \$ 326,850 | \$ 128,546 | \$ 111,880 | 34.2% | |
| Prof/Legis/Legal Services | \$ 407,172 | \$ 407,172 | \$ 203,788 | \$ 153,149 | 37.6% | |
| Temporary Help | \$ - | \$ 20,349 | \$ 45,763 | \$ 20,349 | 100.0% | See Note 13 |
| Custodial Services | \$ 71,300 | \$ 71,300 | \$ 33,817 | \$ 33,224 | 46.6% | |
| Uniforms & Laundry | \$ 39,780 | \$ 41,780 | \$ 15,739 | \$ 21,778 | 52.1% | |
| Security Services | \$ 431,000 | \$ 431,000 | \$ 241,632 | \$ 194,534 | 45.1% | See Note 14 |
| Outside Repair - Bldgs/Eqmt | \$ 223,551 | \$ 209,401 | \$ 68,760 | \$ 98,861 | 47.2% | |
| Outside Repair - Vehicles | \$ 336,051 | \$ 336,051 | \$ 56,160 | \$ 151,824 | 45.2% | |
| Waste Disp/Ads/Other | \$ 81,575 | \$ 81,575 | \$ 25,022 | \$ 55,813 | 68.4% | See Note 15 |
| | \$ 1,917,279 | \$ 1,925,478 | \$ 819,227 | \$ 841,412 | 43.7% | |
| CONTRACT TRANSPORTATION | | | | | | |
| Contract Transportation | \$ - | \$ - | \$ - | \$ - | 0.0% | |
| Paratransit Service | \$ 200,000 | \$ 200,000 | \$ 84,581 | \$ 87,774 | 43.9% | |
| | \$ 200,000 | \$ 200,000 | \$ 84,581 | \$ 87,774 | 43.9% | |
| MOBILE MATERIALS | | | | | | |
| Fuels & Lubricants | \$ 2,745,595 | \$ 2,745,595 | \$ 787,480 | \$ 1,054,381 | 38.4% | |
| Tires & Tubes | \$ 201,000 | \$ 201,000 | \$ 71,741 | \$ 85,353 | 42.5% | |
| Other Mobile Supplies | \$ 7,500 | \$ 7,500 | \$ 6,029 | \$ 4,841 | 64.5% | See Note 16 |
| Revenue Vehicle Parts | \$ 365,000 | \$ 365,000 | \$ 210,847 | \$ 352,683 | 96.6% | See Note 17 |
| | \$ 3,319,095 | \$ 3,319,095 | \$ 1,076,097 | \$ 1,497,258 | 45.1% | |

**CONSOLIDATED OPERATING EXPENSE
DECEMBER 2006**

| | FY 06-07 Final Budget | FY 06-07 Revised Budget | FY 05-06 Expended YTD | FY 06-07 Expended YTD | % Exp YTD of Budget | |
|---------------------------------|--------------------------|----------------------------|--------------------------|--------------------------|------------------------|-------------|
| OTHER MATERIALS | | | | | | |
| Postage & Mailing/Freight | \$ 26,550 | \$ 26,550 | \$ 6,312 | \$ 6,440 | 24.3% | |
| Printing | \$ 85,610 | \$ 85,610 | \$ 20,286 | \$ 18,229 | 21.3% | |
| Office/Computer Supplies | \$ 65,400 | \$ 75,300 | \$ 44,222 | \$ 38,124 | 50.6% | See Note 18 |
| Safety Supplies | \$ 16,375 | \$ 15,125 | \$ 4,418 | \$ 6,954 | 46.0% | |
| Cleaning Supplies | \$ 47,650 | \$ 47,650 | \$ 17,451 | \$ 18,602 | 39.0% | |
| Repair/Maint Supplies | \$ 40,000 | \$ 40,000 | \$ 12,943 | \$ 25,681 | 64.2% | See Note 19 |
| Parts, Non-Inventory | \$ 40,500 | \$ 42,000 | \$ 10,876 | \$ 17,183 | 40.9% | |
| Small Tools | \$ 12,100 | \$ 12,100 | \$ 2,263 | \$ 5,114 | 42.3% | |
| Promo/Photo Supplies | \$ 8,805 | \$ 8,805 | \$ 2,721 | \$ 4,237 | 48.1% | |
| | \$ 342,990 | \$ 353,140 | \$ 121,492 | \$ 140,564 | 39.8% | |
| UTILITIES | | | | | | |
| | \$ 368,574 | \$ 365,374 | \$ 148,554 | \$ 175,552 | 48.0% | |
| CASUALTY & LIABILITY | | | | | | |
| Insurance - Prop/PL & PD | \$ 605,188 | \$ 605,188 | \$ 250,255 | \$ 269,235 | 44.5% | |
| Settlement Costs | \$ 150,000 | \$ 150,000 | \$ 142,318 | \$ 45,339 | 30.2% | |
| Repairs to Prop | \$ - | \$ - | \$ (15,492) | \$ (81,192) | 0.0% | See Note 20 |
| | \$ 755,188 | \$ 755,188 | \$ 377,081 | \$ 233,381 | 30.9% | |
| TAXES | | | | | | |
| | \$ 46,761 | \$ 46,761 | \$ 12,132 | \$ 25,626 | 54.8% | See Note 21 |
| MISC EXPENSES | | | | | | |
| Dues & Subscriptions | \$ 56,870 | \$ 56,870 | \$ 41,971 | \$ 58,953 | 103.7% | See Note 22 |
| Advertising - Revenue Prod. | \$ 15,000 | \$ 15,000 | \$ 4,816 | \$ - | 0.0% | |
| Employee Incentive Program | \$ 5,107 | \$ 5,107 | \$ 804 | \$ 229 | 4.5% | |
| Training | \$ 9,600 | \$ 16,800 | \$ 1,602 | \$ 16,628 | 99.0% | See Note 23 |
| Travel | \$ 27,170 | \$ 27,170 | \$ 3,354 | \$ 6,941 | 25.5% | |
| Other Misc Expenses | \$ 18,533 | \$ 18,533 | \$ 5,719 | \$ (3,948) | 0.0% | |
| | \$ 132,280 | \$ 139,480 | \$ 58,266 | \$ 78,802 | 56.5% | |
| OTHER EXPENSES | | | | | | |
| Leases & Rentals | \$ 832,134 | \$ 832,134 | \$ 384,632 | \$ 415,675 | 50.0% | See Note 24 |
| | \$ 832,134 | \$ 832,134 | \$ 384,632 | \$ 415,675 | 50.0% | |
| Total Operating Expense | \$ 35,960,000 | \$ 35,960,000 | \$ 14,346,343 | \$ 16,378,700 | 45.5% | |

**MONTHLY REVENUE AND EXPENSE REPORT
FY 06-07 CAPITAL IMPROVEMENT PROGRAM**

| CAPITAL PROJECTS | Final Program Budget | Expended in December | YTD Expended |
|---|-----------------------------|-----------------------------|---------------------|
| Grant Funded Projects | | | |
| MetroBase | \$ 29,622,709 | \$ 80,859 | \$ 3,275,677 |
| Revenue Vehicle Replacement | \$ 920,000 | \$ - | \$ - |
| Short Range Transit Plan | \$ 100,000 | \$ - | \$ - |
| CNG Bus Conversions | \$ 6,800,000 | \$ - | \$ - |
| | \$ 37,442,709 | | |
| District Funded Projects | | | |
| Bus Stop Imprvmnts/Bus Shelter Projects | \$ 310,000 | \$ 1,660 | \$ 6,022 |
| Revenue Vehicle Replacement | \$ 192,000 | \$ - | \$ 12,351 |
| Rebuild Low Floor Buses | \$ 152,000 | \$ - | \$ - |
| IT Projects | \$ 10,000 | \$ 3,801 | \$ 29,438 |
| Facilities Repairs & Improvements | \$ 113,500 | \$ 26,661 | \$ 35,964 |
| Non-Revenue Vehicle Replacement | \$ 235,000 | \$ - | \$ 93,908 |
| Office Equipment | \$ 16,600 | \$ 6,430 | \$ 17,195 |
| Diagnostic Reader/Fleet | \$ 3,000 | \$ - | \$ 17,159 |
| Mt. Biewlaski Repeater | \$ 15,000 | \$ - | \$ - |
| Rebuild Bus Engines | \$ - | \$ - | \$ 35,432 |
| | \$ 1,047,100 | | |
| TOTAL CAPITAL PROJECTS | \$ 38,489,809 | \$ 119,411 | \$ 3,523,146 |
| CAPITAL FUNDING SOURCES | | | |
| | Budget | Received in December | YTD Received |
| Federal Capital Grants | \$ 9,230,246 | \$ - | \$ 1,497,496 |
| State/Local Capital Grants | \$ 12,940,000 | | |
| STA Funding | \$ 1,806,593 | \$ 724,500 | \$ 1,176,148 |
| Bus Stop Improvement Reserves | \$ 310,000 | \$ - | \$ - |
| District Reserves | \$ 14,202,970 | \$ - | \$ 849,502 |
| TOTAL CAPITAL FUNDING | \$ 38,489,809 | \$ 724,500 | \$ 3,523,146 |

12.25

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
NOTES TO REVENUE AND EXPENSE REPORT**

1. **Passenger Fares Income** (fare box and pass sales) is \$108,279 or 6.1% under the final budget amount for the year to date. Paratransit fares are \$9,949 or 8.4% under the budgeted amount. Special transit fares (contracts) are \$106,472 or 10.8% over the budgeted amount. Highway 17 Express revenue is \$54,387 or 9.5% over the year to date budgeted amount. Together, all four passenger revenue accounts are over the budgeted amount for the first half of the fiscal year by a net \$42,631 or 1.2%.
2. **Advertising Income** is \$60,250 or 100% over the budgeted amount for the first half of the fiscal year based on current advertising levels on the exterior of District buses.
3. **Interest Income** is \$201,123 or 43.3% over budget for the first half of the fiscal year due to higher interest rates than projected in the County investment pool. The mid-year budget revision addresses adjusting interest income.
4. **Non-Transportation Revenue** is \$28,268 or 15.9% over budget for the first half of the fiscal year due to a reimbursement from the County for prior year revenue from the employees' share of their retirement contribution.
5. **Sales tax Income** is \$419,647 or 4.9% over projected revenue for the first half of the fiscal year due to sales tax receipts exceeding budget estimates. The mid-year budget revision increasing sales tax income has been addressed in the mid-year budget revision.
6. **Retired Employees Expense** is at 58.9% of the budget since the retroactive payment for restoration of the retirees medical premium supplemental program was made during September. This has been addressed in the mid-year budget revision.
7. **Human Resources Non-Personnel Expense** is at 84.3% of the budget due to arbitration and hiring costs.
8. **Information Technology Non-Personnel Expense** is at 53.6% of the budget due to volume purchase of supplies for the computer system and added personnel to support.
9. **Facilities Maintenance Non-Personnel Expense** is at 51.5% due to increased buying of parts and supplies.
10. **Medical Insurance Expense** is at 59% of the budget due to increased cost of premiums.
11. **Life insurance Expense** is at 50.6% of the budget due to one-time adjustments for supplemental life insurance.
12. **Other Fringe Benefits Expense** is at 80.3% of the budget due to retiree medical payments. This has been addressed in the mid-year budget revision.

12. a6

13. **Temp Help Expense** is at 100% of the budget. Budget transfers have been processed for departments using temp help during position vacancies. Temp help is only funded through budget transfers from the salary account.
14. **Uniforms and Laundry Expense** is at 52.1% of the budget due to increased costs in Fleet.
15. **Waste Disposal/Advertising/Other Services Expense** is at 91.2% of the budget due to classified ad costs for recruitments, and higher costs for hazardous waste disposal.
16. **Other Mobile Supplies Expense** is at 64.5% of the budget due to high costs in August for Fleet Maintenance.
17. **Revenue Vehicle Parts Expense** is at 96.6% of the budget due to expiration of warranties on newer buses. This overrun has been addressed in the mid-year budget revision.
18. **Office/Computer Supplies Expense** is at 51.9% of the budget due to volume purchase of IT supplies and replacement monitors.
19. **Repair/Maintenance Supplies Expense** is at 64.2% of the budget due to required repairs to facilities.
20. **Repairs To Property Expense** is a casualty and liability account to which repairs to District vehicles and property is charged when another party is liable for the damage. All collections made from other parties for property repair are applied to this account to offset the District's repair costs.
21. **Taxes Expense** is at 54.8% due to increased purchases of vehicles
22. **Dues and Subscriptions Expense** is at 103.7% of the budget due to annual payment of APTA dues.
23. **Training Expense** is at 99% of the budget due to reimbursements for employee tuition and books. This has been addressed in the mid-year budget revision.
24. **Leases and Rentals Expense** is at 42.2% of the budget primarily due to the annual payment to Greyhound for Metro Center parking.

**Santa Cruz METRO
March 2007 Ridership Report**

FAREBOX REVENUE AND RIDERSHIP SUMMARY BY ROUTE

| ROUTE | REVENUE | RIDERSHIP | UC | | | S/D | | S/D | | Cabrillo | Bike | Passes/ Free Rides |
|-----------------|---------------------|----------------|----------------|---------------------|--------------|---------------|--------------|--------------|---------------|---------------|----------------|-----------------------|
| | | | Student | UC Staff Faculty | Day Pass | Riders | W/C | Day Pass | | | | |
| 10 | \$ 1,423.35 | 24,645 | 20,308 | 2,126 | 10 | 60 | 36 | 5 | 174 | 576 | 1,108 | |
| 13 | \$ 430.93 | 10,167 | 8,854 | 626 | 4 | 21 | 3 | - | 39 | 230 | 374 | |
| 15 | \$ 1,404.15 | 32,988 | 28,882 | 1,815 | 13 | 71 | 15 | 12 | 239 | 832 | 1,144 | |
| 16 | \$ 5,365.37 | 78,571 | 67,110 | 4,090 | 29 | 172 | 38 | 9 | 688 | 1,953 | 3,338 | |
| 19 | \$ 1,506.94 | 24,390 | 20,380 | 1,352 | 9 | 122 | 6 | 17 | 233 | 584 | 1,437 | |
| 3 | \$ 1,525.03 | 3,178 | 418 | 128 | 44 | 96 | 14 | 18 | 322 | 60 | 1,302 | |
| 4 | \$ 1,308.80 | 4,888 | 154 | 39 | 15 | 256 | 77 | 32 | 130 | 83 | 3,442 | |
| 7 | \$ 323.38 | 1,008 | 61 | 13 | 5 | 52 | - | 11 | 62 | 10 | 658 | |
| 9 | \$ 304.14 | 473 | 6 | 44 | 8 | 9 | 1 | 2 | 7 | 5 | 226 | |
| 12A | \$ 36.40 | 842 | 676 | 111 | 1 | 4 | 1 | - | 2 | 24 | 28 | |
| 20 | \$ 2,107.78 | 19,308 | 15,024 | 966 | 18 | 98 | 3 | 4 | 370 | 458 | 1,490 | |
| 31 | \$ 1,377.30 | 1,858 | 67 | 59 | 15 | 46 | 2 | 2 | 65 | 70 | 791 | |
| 32 | \$ 332.46 | 417 | 20 | 19 | 2 | 9 | 1 | 1 | 14 | 7 | 157 | |
| 33 | \$ 240.77 | 510 | - | - | - | - | - | - | 2 | - | 333 | |
| 34 | \$ 139.10 | 170 | - | - | - | - | - | - | - | 1 | 75 | |
| 35 | \$ 27,373.83 | 42,456 | 978 | 478 | 296 | 1,172 | 26 | 189 | 1,701 | 1,403 | 21,925 | |
| 40 | \$ 1,219.40 | 1,964 | 134 | 15 | 14 | 49 | 3 | 6 | 46 | 69 | 997 | |
| 41 | \$ 1,128.75 | 1,811 | 157 | 87 | 9 | 24 | - | 3 | 121 | 129 | 699 | |
| 42 | \$ 846.88 | 1,189 | 146 | 32 | 3 | 51 | 2 | 3 | 97 | 156 | 367 | |
| 53 | \$ 535.09 | 820 | 7 | 10 | 8 | 81 | 25 | 16 | 50 | 7 | 403 | |
| 54 | \$ 425.94 | 872 | 11 | 10 | 4 | 39 | 13 | 4 | 173 | 32 | 395 | |
| 55 | \$ 1,399.25 | 4,262 | 14 | 35 | 11 | 132 | 68 | 18 | 1,629 | 107 | 1,650 | |
| 56 | \$ 524.32 | 1,540 | 6 | 7 | 2 | 31 | 62 | 2 | 487 | 37 | 704 | |
| 66 | \$ 11,047.37 | 17,616 | 1,755 | 413 | 134 | 707 | 109 | 70 | 805 | 427 | 7,350 | |
| 68 | \$ 6,089.14 | 11,138 | 1,324 | 341 | 70 | 285 | 67 | 53 | 565 | 277 | 4,969 | |
| 68N | \$ 1,496.19 | 2,560 | 321 | 76 | - | 40 | 16 | 1 | 144 | 93 | 1,044 | |
| 69 | \$ 6,066.27 | 11,594 | 1,293 | 463 | 64 | 402 | 74 | 33 | 565 | 332 | 5,229 | |
| 69A | \$ 18,635.17 | 24,857 | 1,068 | 617 | 166 | 1,081 | 221 | 141 | 884 | 723 | 9,777 | |
| 69N | \$ 1,561.14 | 2,928 | 350 | 107 | 1 | 68 | 39 | 2 | 391 | 153 | 1,057 | |
| 69W | \$ 17,950.75 | 27,669 | 1,268 | 588 | 177 | 973 | 247 | 100 | 3,997 | 767 | 10,008 | |
| 70 | \$ 2,835.29 | 7,827 | 263 | 88 | 31 | 162 | 50 | 14 | 2,952 | 240 | 2,650 | |
| 71 | \$ 52,944.65 | 75,977 | 2,013 | 1,236 | 365 | 2,985 | 385 | 307 | 11,847 | 2,752 | 25,664 | |
| 72 | \$ 3,870.38 | 4,478 | 22 | 37 | 38 | 274 | 30 | 24 | 263 | 86 | 1,624 | |
| 74 | \$ 3,120.99 | 3,148 | 16 | 29 | 14 | 219 | 8 | 8 | 89 | 27 | 896 | |
| 75 | \$ 6,771.75 | 7,854 | 21 | 72 | 50 | 501 | 41 | 48 | 366 | 102 | 2,932 | |
| 76 | \$ 712.42 | 778 | 6 | 8 | 11 | 79 | 4 | 10 | 12 | 14 | 287 | |
| 79 | \$ 1,646.86 | 2,325 | 8 | 31 | 29 | 170 | 79 | 50 | 182 | 16 | 1,044 | |
| 88 | \$ 19.25 | 4,203 | 10 | - | 1 | 1 | 2 | - | 5 | - | 407 | |
| 91 | \$ 3,747.84 | 5,817 | 501 | 132 | 97 | 80 | 18 | 23 | 989 | 237 | 1,755 | |
| UC Supplemental | \$ 272.83 | 8,952 | 8,175 | 326 | - | 12 | 1 | - | 41 | 175 | 232 | |
| Unknown | - | - | - | - | - | - | - | - | - | - | - | |
| TOTAL | \$190,067.65 | 478,048 | 181,827 | 16,626 | 1,768 | 10,634 | 1,767 | 1,238 | 30,746 | 13,254 | 119,968 | |

| ROUTE | REVENUE | RIDERSHIP | VTA/SC Day Pass | 17 CalTrain Day Pass | S/D Riders | W/C | METRO | ECO Pass | Bike | Monthly Pass | |
|-------|--------------|-----------|--------------------|----------------------------|---------------|-------|-------|-------------|------|-----------------|--------|
| 17 | \$ 43,387.68 | 21,423 | 10 | 47 | 134 | 1,319 | 30 | 6,437 | 133 | 1,171 | 10,374 |

| RIDERSHIP | |
|--------------|--------------|
| Night Owl | 4,393 |
| | - |
| TOTAL | 4,393 |

| | |
|------------------------|--------------|
| March Ridership | 503,864 |
| March Revenue | \$233,743.77 |

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BUS OPERATOR LIFT TEST *PULL-OUT*

| VEHICLE CATEGORY | TOTAL BUSES | AVG # DEAD IN GARAGE | AVG # AVAIL. FOR SERVICE | AVG # IN SERVICE | AVG # SPARE BUSES | AVG # LIFTS OPERATING | % LIFTS WORKING ON PULL-OUT BUSES |
|-------------------------|----------------|-------------------------|-----------------------------|---------------------|----------------------|--------------------------|--------------------------------------|
| FLYER/HIGHWAY 17 - 40' | 7 | 1 | 6 | 1 | 5 | 1 | 100% |
| FLYER/LOW FLOOR - 40' | 12 | 3 | 9 | 7 | 2 | 7 | 100% |
| FLYER/LOW FLOOR - 35' | 18 | 3 | 15 | 11 | 4 | 11 | 100% |
| FLYER/HIGH FLOOR - 35' | 13 | 2 | 11 | 3 | 8 | 3 | 100% |
| GILLIG/SAM TRANS - 40' | 10 | 2 | 8 | 3 | 5 | 3 | 100% |
| DIESEL CONVERSION - 35' | 15 | 2 | 13 | 13 | 0 | 13 | 100% |
| DIESEL CONVERSION - 40' | 14 | 3 | 11 | 10 | 1 | 10 | 100% |
| ORION/HIGHWAY 17 - 40' | 11 | 2 | 9 | 8 | 1 | 8 | 100% |
| GOSHEN | 2 | 0 | 2 | 0 | 2 | 0 | 100% |
| TROLLEY | 1 | 0 | 1 | 0 | 1 | 0 | 100% |
| CNG NEW FLYER - 40' | 10 | 1 | 9 | 8 | 1 | 8 | 100% |

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

PASSENGER LIFT PROBLEMS

MONTH OF MARCH 2007

| BUS # | DATE | DAY | REASON |
|--------|--------|----------|---|
| 2203CG | 3-Mar | Saturday | Lift ramp groans during operation |
| 2205CG | 23-Mar | Friday | Ramp deployment goes 1/2 way out needs a manual push. Stowing ok. |
| 2213CN | 18-Mar | Sunday | Kneeling mechanism will lean, won't go down sometimes |
| 2219CG | 31-Mar | Saturday | Coach kneels but does not tilt |
| 2220CN | 1-Mar | Thursday | Kneel only leans bus, doesn't drop whole front end down. |
| 2220CN | 2-Mar | Friday | Kneel does not work but the lean part does. Very difficult for the physically handicapped to board. |
| 2220CN | 6-Mar | Tuesday | No kneel function |
| 2220CN | 9-Mar | Friday | Kneel only works 50% of the time. |
| 8080F | 15-Mar | Thursday | Kneel does not stay down |
| 8100F | 22-Mar | Thursday | Kneel takes a longer time than usual to return to the up position |
| 9804LF | 9-Mar | Friday | Ramp needs assistance by hand to deploy |
| 9806LF | 8-Mar | Thursday | Ramp very slow & makes squeal noise |
| 9825LF | 27-Mar | Tuesday | The lift sticks |
| 9832G | 6-Mar | Tuesday | Very slow to raise out of kneel |

- F New Flyer
- G Gillig
- C Champion
- LF Low Floor Flyer
- GM GMC
- CG CNG
- CN SR855 & SR854
- OR Orion/Hwy 17

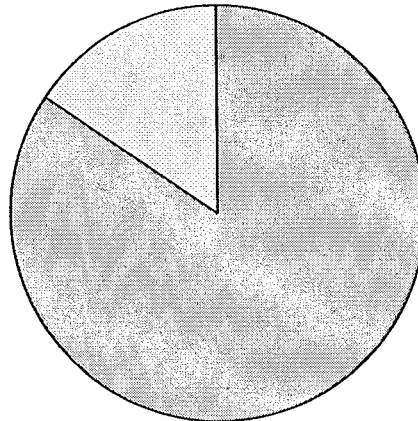
Note: Lift operating problems that cause delays of less than 30 minutes.

Dropped Service for FY 2007

| | FY 2004/05 | | FY 2005/06 | | FY 2006/07 | |
|--------------|---------------|-----------------|---------------|------------------|---------------|-----------------|
| | Dropped Hours | Dropped Miles | Dropped Hours | Dropped Miles | Dropped Hours | Dropped Miles |
| July | 1.35 | 42.89 | 0 | 0 | 5.00 | 96.88 |
| August | 0.00 | 0.00 | 213.92 | 3,575.86 | 15.02 | 276.46 |
| September | 0.76 | 18.87 | 140.97 | 2,336.50 | 11.30 | 160.72 |
| October | 0.00 | 0.00 | STRIKE | STRIKE | 37.52 | 540.19 |
| November | 0.00 | 0.00 | 113.77 | 1,780.56 | 37.55 | 477.48 |
| December | 0.00 | 0.00 | 95.61 | 1,659.66 | 6.08 | 143.84 |
| January | 6.07 | 127.13 | 16.52 | 286.31 | 12.24 | 188.23 |
| February | 23.31 | 276.75 | 39.22 | 579.38 | 13.07 | 88.59 |
| March | 8.66 | 99.08 | 21.38 | 380.68 | 7.13 | 133.30 |
| April | 37.96 | 641.12 | 62.57 | 986.08 | | |
| May | 1.50 | 37.03 | 33.47 | 551.00 | | |
| June | 4.15 | 69.30 | 20.20 | 267.47 | | |
| TOTAL | 83.76 | 1,312.17 | 757.62 | 12,403.50 | 144.91 | 2,105.69 |

Dropped Service Breakdown for March 2007

Other
1.12 hrs



Mechanical
6.01 hrs

13.4

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: April 27, 2007

TO: Board of Directors

FROM: Tom Stickel, Manager of Maintenance

SUBJECT: CONSIDERATION OF AWARD OF CONTRACT TO BROWN, ARMSTRONG, PAULDEN, MCCOWN, STARBUCK, THORNBURGH & KEETER ACCOUNTANCY CORPORATION FOR FINANCIAL AUDIT AND TAX SERVICES

I. RECOMMENDED ACTION

District staff is recommending that the Board of Directors authorize the General Manager to execute a contract with Brown, Armstrong, Paulden, McCown, Starbuck, Thornburgh & Keeter Accountancy Corporation for financial audit and tax services for a total amount not to exceed \$ 39,750.

II. SUMMARY OF ISSUES

- A competitive procurement was conducted to solicit proposals from qualified firms.
- Four firms submitted proposals for the District's review.
- A three-member evaluation committee comprised of District staff reviewed and evaluated the proposals.
- The evaluation committee is recommending that a contract be established with Brown, Armstrong, Paulden, McCown, Starbuck, Thornburgh & Keeter Accountancy Corporation to provide financial audit and tax services for a total not to exceed amount of \$39,750.

III. DISCUSSION

On February 13, 2007, District Request for Proposal No. 06-20 was mailed to several accounting and tax services firms and was legally advertised. On March 14, 2007, proposals were received and opened from four firms. A three-member evaluation committee comprised of: Angela Aitken, Manager of Finance; Debbie Kinslow, Assistant Manger of Finance; and Lloyd Longnecker, Purchasing Agent have reviewed and evaluated the proposals. A list and ranking of these firms are provided in Attachment A.

The evaluation committee used the following criteria as contained in the Request for Proposals:

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| Criteria | Points Score |
|--|--------------|
| Responsiveness Of Proposal To Scope Of Work And Specifications | 10 |
| Contractor's Experience With Governmental Audits | 10 |
| Contractor's Experience With Transit Systems Audits | 20 |
| Ability Of Contractor To Finish All Required Work By Deadline | 20 |
| Use Of Experienced Professional Audit Staff | 20 |
| Proposal Pricing | 20 |
| Total Points Possible | 100 |

Based on the above criteria, and evaluation scores, the evaluation committee is recommending that a contract be established with Brown, Armstrong, Paulden, McCown, Starbuck, Thornburgh & Keeter Accountancy Corporation to provide financial audit and tax services for an amount not to exceed \$39,750. Contractor will provide services meeting all District specifications and requirements.

IV. FINANCIAL CONSIDERATIONS

Funds are available in the Finance budget for this contract. This contract has an annual budget of \$39,750.

V. ATTACHMENTS

Attachment A: List and ranking of firms that submitted a proposal

Attachment B: Contract with Brown, Armstrong, Paulden, McCown, Starbuck, Thornburgh & Keeter Accountancy Corporation

Note: The RFP along with its Exhibits and any Addendum(s) are available for review at the Administration Office of METRO or online at www.scmttd.com

14.2

**REQUEST FOR PROPOSALS NO. 06-20
FOR FINANCIAL AUDIT AND TAX SERVICES**

LIST AND RANKING OF FIRMS THAT SUBMITTED A PROPOSAL

1. Brown, Armstrong, Paulden, McCown, Starbuck, Thornburgh & Keeter
Accountancy Corporation of Bakersfield, California
2. Williams, Adley and Company, LLP of Oakland, California
3. Mann, Urrutia, Nelson, CPAs and Associates, LLP of Sacramento, California
4. Vavrinek, Trine, Day and Company of Palo Alto, California

CONTRACT FOR FINANCIAL AUDIT AND TAX SERVICES (06-20)

This contract is made effective on May 1, 2007 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("District"), and BROWN, ARMSTRONG, PAULDEN, MCCOWN, STARBUCK, THORNBURGH & KEETER ACCOUNTANCY CORPORATION ("Contractor").

1. RECITALS

1.01 District's Primary Objective

District is a public entity whose primary objective is providing public transportation and has its principal office at 370 Encinal Street, Suite 100, Santa Cruz, California 95060.

1.02 District's Need for Financial Audit and Tax Services

District has the need for Financial Audit and Tax Services. In order to obtain these services, the District issued a Request for Proposals, dated February 13, 2007, setting forth specifications for such services. The Request for Proposals is attached hereto and incorporated herein by reference as Exhibit "A".

1.03 Contractor's Proposal

Contractor is a firm/individual qualified to provide Financial Audit and Tax Services and whose principal place of business is 4200 Truxtun Avenue, Bakersfield, California. Pursuant to the Request for Proposals by the District, Contractor submitted a proposal for Financial Audit and Tax Services, which is attached hereto and incorporated herein by reference as Exhibit "B."

1.04 Selection of Contractor and Intent of Contract

On April 27, 2007 District selected Contractor as the offeror whose proposal was most advantageous to the District, to provide the Financial Audit and Tax Services described herein. This Contract is intended to fix the provisions of these services.

District and Contractor agree as follows:

2. INCORPORATED DOCUMENTS AND APPLICABLE LAW

2.01 Documents Incorporated in this Contract

The documents below are attached to this Contract and by reference made a part hereof. This is an integrated Contract. This writing constitutes the final expression of the parties' contract, and it is a complete and exclusive statement of the provisions of that Contract, except for written amendments, if any, made after the date of this Contract in accordance with Section 13.14.

A. Exhibit "A"

Santa Cruz Metropolitan Transit District's "Request for Proposals" dated February 13, 2007 and addendum No. 1 dated February 20, 2007.

B. Exhibit "B" (Contractor's Proposal)

Contractor's Proposal to the District for Financial Audit and Tax Services, signed by Contractor and dated March 14, 2007.

2.02 Conflicts

Where in conflict, the provisions of this writing supersede those of the above-referenced documents, Exhibits "A" and "B". Where in conflict, the provisions of Exhibit "A" supercede Exhibit "B".

2.03 Recitals

The Recitals set forth in Article 1 are part of this Contract.

3. DEFINITIONS

3.01 General

The terms below (or pronouns in place of them) have the following meaning in the contract:

3.01.01 CONTRACT - The Contract consists of this document, the attachments incorporated herein in accordance with Article 2, and any written amendments made in accordance with Section 13.14.

3.01.02 CONTRACTOR - The Contractor selected by District for this project in accordance with the Request for Proposals issued February 13, 2007.

3.01.03 CONTRACTOR'S STAFF - Employees of Contractor.

3.01.04 DAYS - Calendar days.

3.01.05 OFFEROR - Contractor whose proposal was accepted under the terms and conditions of the Request for Proposals issued February 13, 2007.

3.01.06 PROVISION - Any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulation in the contract that defines or otherwise controls, establishes, or limits the performance required or permitted by either party.

3.01.07 SCOPE OF WORK (OR "WORK") - The entire obligation under the Contract, including, without limitation, all labor, equipment, materials, supplies, transportation, services, and other work products and expenses, express or implied, in the Contract.

4. TIME OF PERFORMANCE

4.01 Term

The term of this Contract will be for a period not to exceed one (1) year and shall commence upon the issuance of the contract by the District.

At the option of the District, this contract agreement may be renewed for two (2) additional one (1) year terms upon mutual written consent.

5. COMPENSATION

5.01 Terms of Payment

District shall compensate Contractor in an amount not to exceed \$39,750. District shall reasonably determine whether work has been successfully performed for purposes of payment. Compensation shall be made within forty-five (45) days of District written approval of

Contractor's written invoice for said work. Contractor understands and agrees that if he/she exceeds the \$39,750 maximum amount payable under this contract, that it does so at its own risk.

5.02 Invoices

Contractor shall submit invoices with a purchase order number provided by the District on a monthly basis. Contractor's invoices shall include detailed records showing actual time devoted, work accomplished, date work accomplished, personnel used, and amount billed per hour. Expenses shall only be billed if allowed under the Contract. Telephone call expenses shall show the nature of the call and identify location and individual called. Said invoice records shall be kept up-to-date at all times and shall be available for inspection by the District (or any grantor of the District, including, without limitation, any State or Federal agency providing project funding or reimbursement) at any time for any reason upon demand for not less than four (4) years after the date of expiration or termination of the Contract. Under penalty of law, Contractor represents that all amounts billed to the District are (1) actually incurred; (2) reasonable in amount; (3) related to this Contract; and (4) necessary for performance of the project.

6. NOTICES

All notices under this Contract shall be deemed duly given upon delivery, if delivered by hand; or three (3) days after posting, if sent by registered mail, receipt requested; to a party hereto at the address hereinunder set forth or to such other address as a party may designate by notice pursuant hereto.

DISTRICT

Santa Cruz Metropolitan Transit District
370 Encinal Street
Suite 100
Santa Cruz, CA 95060
Attention: General Manager

CONTRACTOR

Brown, Armstrong, Paulden, McCown, Starbuck, Thornburgh & Keeter Accountancy Corporation
4200 Truxtun Avenue
Suite 300
Bakersfield CA 93309
Attention: Steven R. Starbuck, CPA, Principal

7. AUTHORITY

Each party has full power and authority to enter into and perform this Contract and the person signing this Contract on behalf of each has been properly authorized and empowered to enter into this Contract. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it.

Signed on _____

DISTRICT
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR
BROWN, ARMSTRONG, PAULDEN, MCCOWN, STARBUCK, THORNBURGH & KEETER
ACCOUNTANCY CORPORATION

By _____
Steven R. Starbuck, CPA
Principal

Approved as to Form:

Margaret Rose Gallagher
District Counsel

EXHIBIT -A-

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Request for Proposals (RFP)

For Financial Audit and Tax Services

District RFP NO. 06-20

Date Issued: February 13, 2007

Proposal Deadline: 5:00 P.M., March 14, 2007



Contents of this RFP

| | |
|-----------|---|
| Part I. | Instructions to Offerors |
| Part II. | General Information Form |
| Part III. | Specifications |
| Part IV. | General Conditions |
| Part V. | Contract/Agreement |
| Part VI. | FTA Requirements for Non-Construction Contracts |
| Part VII. | Protest Procedures |

PART I

INSTRUCTIONS TO OFFERORS

1. **GENERAL:** These instructions form a part of the contract documents and shall have the same force as any other portion of the contract. Failure to comply may subject the proposal to immediate rejection
2. **OFFEROR RESPONSIBILITY:** The District has made every attempt to provide all information needed by offerors for a thorough understanding of project terms, conditions, and requirements. It is expressly understood that it is the responsibility of offerors to examine and evaluate the work required under this RFP and the terms and conditions under which the work is performed. By submitting a proposal, Offeror represents that it has investigated and agrees to all terms and conditions of this RFP
3. **DELIVERY OF PROPOSALS TO THE DISTRICT:** Proposals (1 original and 4 copies) must be delivered to the District Purchasing Office, 110 Vernon Street, Suite B, Santa Cruz, California, 95060 on or before the deadline noted in the RFP.

Any contract or purchase order entered into as a result of this RFP shall incorporate the RFP and the proposal submitted by successful offeror. In the event of conflict between the proposal and any other contract document, the other contract document shall prevail unless specified otherwise by the District. Telephone or electronic proposals will not be accepted.

4. **LATE PROPOSALS:** Proposals received after the date and time indicated herein shall not be accepted and shall be returned to the Offeror unopened.

Requests for extensions of the proposal closing date or time will not be granted. Offerors mailing proposals should allow sufficient mail time to ensure timely receipt of their proposals before the deadline, as it is the offerors responsibility to ensure that proposals arrive before the closing time.

5. **MULTIPLE PROPOSALS:** An offeror may submit more than one proposal. At least one of the proposals shall be complete and comply with all requirements of this RFP. However, additional proposals may be in abbreviated form, using the same format, but providing only the information that differs in any way from the information contained in the master proposal. Master proposals and alternate proposals should be clearly labeled.
6. **PARTIAL PROPOSALS:** No partial proposals shall be accepted.
7. **WITHDRAWAL OR MODIFICATION OF PROPOSALS:** Proposals may not be modified after the time and date proposals are opened. Proposals may be withdrawn by Offeror before proposal opening upon written request of the official who is authorized to act on behalf of the Offeror.
8. **CHANGES TO THE RFP RECOMMENDED BY OFFERORS:** All requests for clarification or modification of the RFP shall be made in writing. Offerors are required to provide the value of each proposed modification and a brief explanation as to why the change is requested. Value shall be defined as the cost or savings to the District and the advantage to the District of the proposed change.
9. **ADDENDA:** Modifications to this RFP shall be made only by written addenda issued to all RFP holders of record. Verbal instructions, interpretations, and changes shall not serve as official expressions of the District, and shall not be binding. All cost adjustments or other changes resulting from said addenda shall be taken into consideration by offerors and included in their proposals.
10. **OFFEROR'S PROPOSAL TO THE DISTRICT:** Offerors are expected to thoroughly examine the scope of work and terms and conditions of the RFP. Offerors' terms, conditions, and prices shall constitute a firm offer to the District that cannot be withdrawn by the Offeror for ninety (90) calendar days after the closing date for

proposals, unless a longer time period is specified by the District in the RFP. Offerors shall identify all proprietary information in their proposals. Information identified as proprietary shall not be made available to the public or other offerors

11. **SINGLE OFFEROR RESPONSIBILITY:** Single Offeror responsibility is required under this RFP. Each Offeror responding to this RFP must respond to all professional services and provide all materials, equipment, supplies, transportation, freight, special services, and other work described or otherwise required herein
12. **EXPERIENCE AND QUALIFICATIONS:** Offeror may be required upon request of the District to substantiate that Offeror and its proposed subcontractors have the skill, experience, licenses, necessary facilities, and financial resources to perform the contract in a satisfactory manner and within the required time.
13. **SUBCONTRACTING:** The requirement for single-point responsibility does not prohibit subcontracts or joint ventures provided that the single successful Offeror assumes the following responsibilities: (1) serves as the sole general contractor with the District; (2) assumes full responsibility for the performance of all its subcontractors, joint venturers, and other agents; (3) provides the sole point of contact for all activities through a single individual designated as project manager; (4) submits information with its proposal documenting the financial standing and business history of each subcontractor or joint venturer; and, (5) submits copies of all subcontracts and other agreements proposed to document such arrangement.

Without limiting the foregoing, any such legal documents submitted under item "5" above must (a) make the District a third-party beneficiary thereunder; (b) grant to the District the right to receive notice of and cure any default by the successful offeror under the document; and (c) pass through to the District any and all warranties and indemnities provided or offered by the subcontractor or similar party.

14. **EVALUATION CRITERIA AND AWARD OF CONTRACT:** The award of the contract will be made to the responsible Offeror whose proposal is most advantageous to the District. Specific evaluation criteria are identified in the Specifications section of the RFP.
15. **DISTRICT'S PREROGATIVE:** The District reserves the right to contract with any single firm or joint venture responding to this RFP (without performing interviews), based solely upon its evaluation and judgment of the firm or joint venture in accordance with the evaluation criteria. This RFP does not commit the District to negotiate a contract, nor does it obligate the District to pay for any costs incurred in preparation and submission of proposals or in submission of a contract.

The District reserves and holds at its discretion the following rights and options in addition to any others provided by the Public Utility Code, Section 98000 and the Public Contract Code: (1) to reject any or all of the proposals; (2) to issue subsequent requests for proposals; (3) to elect to cancel the entire request for proposals; (4) to waive minor informalities and irregularities in proposals received; (5) to enter into a contract with any combination of one or more prime contractors, subcontractors, or service providers; (6) to approve or disapprove the use of proposed subcontractors and substitute subcontractors; (7) to negotiate with any, all, or none of the respondents to the RFP.

16. **EXECUTION OF CONTRACT:** The final contract shall be executed by the successful offeror and returned to the District Administrative Office no later than ten (10) calendar days after the date of notification of award by the District. All required bonds and insurance certificates shall also be submitted by this deadline. In the event successful offeror does not submit any or all of the aforementioned documents on or before the required deadline, the District may award the contract to another offeror; in such event, District shall have no liability and said party shall have no remedy of any kind against the District.
17. **DISADVANTAGED AND WOMEN'S BUSINESS ENTERPRISES:** The Board of Directors of the Santa Cruz Metropolitan Transit District has adopted a Disadvantaged Business Enterprise Policy to promote the participation of disadvantaged business enterprises (DBE) in all areas of District contracting to the maximum extent practicable. Consistent with the DBE Policy, the successful offeror selected for this project shall take all necessary and reasonable steps to ensure that DBE firms have the maximum practicable opportunity to participate in the performance of this project and any subcontracting opportunities thereof.

- 18 **NONDISCRIMINATION:** The Santa Cruz Metropolitan Transit District will not discriminate with regard to race, color, creed, ancestry, national origin, religion, sex, sexual preference, marital status, age, medical condition or disability in the consideration for award of contract.

***ADDITIONAL INSTRUCTIONS TO OFFERORS ARE SET FORTH IN
OTHER SECTIONS OF THIS REQUEST FOR PROPOSALS***

PART II

GENERAL INFORMATION FORM

FINANCIAL AUDIT AND TAX SERVICES 06-20

(To be completed by the offeror and placed at the front of your proposal)

Legal Name of Firm

Date

Firm's Address

Telephone Number

FAX Number

Type of Organization (Partnership, Corporation, etc.)

Tax ID Number

Offeror understands and agrees that, by his/her signature, if awarded the contract for the project, he/she is entering into a contract with the District that incorporates the terms and conditions of the entire Request for Proposals package, including the General Conditions section of the Request for Proposals. Offeror understands that this proposal constitutes a firm offer to the District that cannot be withdrawn for ninety (90) calendar days from the date of the deadline for receipt of proposals. If awarded the contract, offeror agrees to deliver to the District the required insurance certificates within ten (10) calendar days of the Notice of Award.

Signature of Authorized Principal

Name of Principal-in-Charge and Title

Name of Project Manager and Title

Name, Title, Email Address and Phone Number of Person To Whom Correspondence Should be Directed

Addresses Where Correspondence Should Be Sent

Areas of Responsibility of Prime Contractor

Listing of major sub consultants proposed (if applicable), their phone numbers, and areas of responsibility (indicate which firms are DBE's):

**CERTIFICATION OF PROPOSED CONTRACTOR REGARDING DEBARMENT,
SUSPENSION AND OTHER INELIGIBILITY AND VOLUNTARY EXCLUSION**

(Contractor) _____ certifies to the best of its knowledge and belief, that it and its principals:

Are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal department or agency;

Have not within a three year period preceding this bid been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;

Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and

Have not within a three year period preceding this bid had one or more public transactions (Federal, State or local) terminated for cause or default

If the Proposed Subcontractor is unable to certify to any of the statements in this certification, it shall attach an explanation to this certification.

(Contractor) _____, CERTIFIES OR AFFIRMS THE TRUTHFULNESS AND ACCURACY OF THE CONTENTS OF THE STATEMENTS SUBMITTED ON OR WITH THIS CERTIFICATION AND UNDERSTANDS THAT THE PROVISIONS OF 31 U.S.C SECTIONS 3801 ET. SEQ. ARE APPLICABLE THERETO.

Signature and Title of Authorized Official

LOBBYING CERTIFICATION
(Only for Contracts above \$100,000)

Lobbying Certification for Contracts Grants, Loans and Cooperative Agreements (Pursuant to 49 CFR Part 20, Appendix A)

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal Contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal Contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form--LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions and as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96)
- (3) The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and Contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Bidder/Offeror certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Bidder/Offeror understands and agrees that the provisions of 31 U.S.C. A 3801, et. seq. apply to this certification and disclosure, if any.

Firm Name _____

Signature of Authorized Official _____

Name and Title of Authorized Official _____

Date _____

BUY AMERICA PROVISION
(Only for Contracts above \$100,000)

This procurement is subject to the Federal Transit Administration Buy America Requirements in 49 CFR part 661.

A Buy American Certificate, as per attached format, must be completed and submitted with the bid. A bid which does not include the certificate will be considered non-responsive

A false certification is a criminal act in violation of 18 U.S.C. 1001. Should this procurement be investigated, the successful bidder/proposer has the burden of proof to establish that it is in compliance

A waiver from the Buy America Provision may be sought by SCMID if grounds for the waiver exist.

Section 165(a) of the Surface Transportation Act of 1982 permits FTA participation on this contract only if steel and manufactured products used in the contract are produced in the United States.

BUY AMERICA CERTIFICATE

The bidder hereby certifies that it will comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Assistance Act of 1982, and the applicable regulations in 49 CFR Part 661.

Date: _____

Signature: _____

Company Name: _____

Title: _____

OR

The bidder hereby certifies that it cannot comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Act of 1982, but may qualify for an exception to the requirement pursuant to Section 165(b)(2) or (b)(4) of the Surface Transportation Assistance Act of 1982, as amended, and regulations in 49 CFR 661.7.

Date: _____

Signature: _____

Company Name: _____

Title: _____

CONTRACTOR DBE INFORMATION

CONTRACTOR'S NAME _____
 DBE GOAL FROM CONTRACT _____ %
 FED. NO. _____
 COUNTY _____
 AGENCY _____
 CONTRACT NO. _____

CONTRACTOR'S ADDRESS _____

 PROPOSAL AMOUNT \$ _____
 PROPOSAL OPENING DATE _____
 DATE OF DBE CERTIFICATION _____
 SOURCE ** _____

This information must be submitted during the initial negotiations with the District. By submitting a proposal, offeror certifies that he/she is in compliance with the District's policy. Failure to submit the required DBE information by the time specified will be grounds for finding the proposal non-responsive.

| CONTRACT ITEM NO. | ITEM OF WORK AND DESCRIPTION OF WORK OR SERVICES TO BE SUBCONTRACTED OR MATERIALS TO BE PROVIDED * | CERTIFICATION FILE NUMBER | NAME OF DBE | DOLLAR AMOUNT DBE *** | PERCENT DBE |
|----------------------|--|------------------------------|-------------|-----------------------------|----------------|
| | | | | | |

TOTAL CLAIMED DBE
 PARTICIPATION \$ _____ %

SIGNATURE OF CONTRACTOR _____

DATE _____

AREA CODE/TELEPHONE _____

(Detach from proposal if DBE information is not submitted with proposal.)

- * If 100% of item is not to be performed or furnished by DBE, describe exact portion, including plan location of work to be performed, of item to be performed or furnished by DBE.
- ** DBE's must be certified on the date proposals are opened.
- *** Credit for a DBE supplier who is not a manufacturer is limited to 60% of the amount paid to the supplier.

NOTE: Disadvantaged business must renew their certification annually by submitting certification questionnaires in advance of expiration of current certification. Those not on a current list cannot be considered as certified.

CONTRACTOR DBE INFORMATION

| CONTRACT ITEM NO. | ITEM OF WORK AND DESCRIPTION OF WORK OR SERVICES TO BE SUBCONTRACTED OR MATERIALS TO BE PROVIDED * | CERTIFICATION FILE NUMBER | NAME OF DBE | DOLLAR AMOUNT DBE *** | PERCENT DBE |
|----------------------|--|------------------------------|-------------|-----------------------------|----------------|
|----------------------|--|------------------------------|-------------|-----------------------------|----------------|

| | | |
|------------------------------------|----------|---------|
| TOTAL CLAIMED DBE PARTICIPATION | \$ _____ | _____ % |
|------------------------------------|----------|---------|

PART III

SPECIFICATIONS FOR FINANCIAL AUDIT AND TAX SERVICES

1. NATURE OF THE PROJECT

1.1 Introduction

The Santa Cruz Metropolitan Transit District ("District") is the sole public transit operator in Santa Cruz County with a fleet of 112 buses and operates 41 routes. District also provides ADA Complementary Paratransit service throughout Santa Cruz County. After hours Paratransit services are also operated for the District under contract with a private transportation company. Its service area is the entire county, an area of 441 square miles, with a population estimate of over 249,666 (according to a 2005 estimate by the U.S. Census Bureau). The District was formed in 1968 and is a political subdivision of the State of California.

The District has an annual current operating budget of thirty-five million nine hundred sixty thousand dollars (\$35,960,000.00) and presently employs 326 people.

1.2 Purpose of Request for Proposals

The Santa Cruz Metropolitan Transit District invites independent certified public accountants licensed in California to submit proposals to perform the District's annual financial audit. The initial period to be audited will be July 1, 2006 through June 30, 2007. It is contemplated that the agreement will cover three years and the proposal should be submitted on that basis.

1.3 Scope of Required Services

The District requires a financial audit of its Statement of Net Assets for each fiscal year ending June 30 and the related Statements of Revenues, Expense and Changes in Fund Net Assets and Cash Flows for the year then ended, as well as a report of Independent Certified Public Accountant (opinion) thereon. The statements will be prepared in accordance with generally accepted accounting principles and must be examined in accordance with generally accepted auditing standards using procedures deemed necessary. The standards for financial and compliance audits are contained in the Standards for Audit of Governmental Organizations, Programs, Activities and Functions issued by the U. S. Government Accounting Office, the Single Audit Act of 1997, and the provisions of OMB Circular A-133, Audits of State and Local Governments, and Non-Profit Organizations.

Specifically, the independent certified public accountant will be required to:

- 1.3.1 Provide a separate audit report under the Single Audit Program to meet Federal DOT Inspector General audit requirements on grants by recipient organizations. These requirements are identified in OMB Circulars A-133, with guidelines included in Circular A-102, the "common rules," and Circular A-87;
- 1.3.2 Provide a separate audit report on Compliance and on Internal Control over Financial Reporting;
- 1.3.3 Provide a separate audit report to indicate the District's compliance, as outlined by Section 6667 of Articles 5.5 of the California Administrative Code, with the Transportation Development Act (TDA), including Public Utility Code Section 99245;
- 1.3.4 Provide a management letter for each year audited, to include a statement of audit findings and recommendations affecting the financial statements, internal control, accounting, accounting

systems, legality of actions, other instances of non-compliance with laws and regulations, and any other material matters.

All accounting records are computerized and the systems are operational and well documented. An in-house Information Technology department provides data processing services and support to all District departments. Financial information is electronically available

A suitable work area will be provided in the Finance Department, located in the Administrative Office of the District, 370 Encinal Street, Suite 100, Santa Cruz, California. District staff will generally be available to provide customary information, explanations, or other assistance

Required deadlines for FY 06-07 work:

Draft Audit Report: November 1, 2007
Final Audit Report: December 1, 2007

Deadlines for future years shall be provided by the District upon renewal of the contract.

The following additional services are also required:

- 1.3.4.1 Prepare and file Federal tax returns for fiscal years ending 2007, 2008, and 2009 for the Santa Cruz Civic Improvement Corporation, a component unit of the District
- 1.3.4.2 Prepare and file State tax returns for fiscal years ending 2007, 2008, and 2009 for the Santa Cruz Civic Improvement Corporation.

2. SPECIFIC REQUIREMENTS

Accountant must possess the following qualifications:

- 2.1 Experience involving primary responsibility for conducting a financial and compliance audit of a public agency, preferably a transit authority;
- 2.2 Thorough familiarity with Office of Management and Budget Circular No. A-102, "Uniform Administrative Requirements for Grants and Cooperative Agreements with State and Local Governments."
- 2.3 Thorough familiarity with Standards for Audit of Governmental Organizations, Programs, Activities and Functions, as issued by the Comptroller General of the United States.
- 2.4 Familiarity with the accounting and auditing requirements imposed upon recipients of grant funds under the Transportation Development Act (California Government Code, Sections 29530, et seq., Public Utilities Code, Sections 99200, et. seq., and rules and regulations adopted by the State Controller and the Secretary of Business and Transportation.)
- 2.5 Submitted proposal shall provide names, addresses and telephone numbers for at least three clients for whom he/she has performed services similar in nature and complexity to that proposed in this RFP

3. STATISTICAL DATA

The following items of information are provided in order to assist offeror in understanding the District:

- 3.1 Number of checks issued by the District monthly (exclusive of payroll): 300-320

- 3.2 Number of general ledger accounts: 640
- 3.3 Average number of active vendors: 350
- 3.4 Number of operating departments: 12
- 3.5 Number of vendor invoices processed monthly: 900-950
- 3.6 The District uses "ABS - Business Accounting Control System" for the general ledger and accounts payable. The County of Santa Cruz performs payroll services. Accounts receivable are minimal and are calculated and tracked on Excel spreadsheets.

Attached to these Specifications are the following documents:

- 1. Attachment A: Santa Cruz Metropolitan Transit District's Financial Statements and Report of Independent Certified Public Accountants, June 30, 2006.
- 2. Attachment B: Santa Cruz Civic Improvement Corporation, Federal and State Tax Returns

4. PROPOSAL SUBMISSION REQUIREMENTS

The proposal must include the following items in the order listed below. (Please complete and include the General Information Form enclosed in this packet with your proposal.) Your firm may include any additional information considered helpful in the evaluation of the proposal. However, proposals should be kept as brief and concise as possible.

- 4.1 A statement of the offeror's understanding of the engagement and the maximum all-inclusive fee for the performance of that work
- 4.2 Names of the individuals who will be authorized to make representations for the offeror, their titles, addresses, and telephone numbers
- 4.3 Names of individuals who are authorized to bind the offeror
- 4.4 Submit a profile of the firm, including the following:
 - 4.4.1. Whether or not the firm is local, regional, national or multi-national.
 - 4.4.2. The location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors and other professional staff employed at that office
 - 4.4.3. A description of the range of activities performed by the local office such as auditing, accounting, tax services, and management services
- 4.5 A description of the local and regional office's auditing experience with transit districts.
- 4.6 A work plan to accomplish the requirements of the Request for Proposals and the estimated hours required to complete the engagement using the level of staff indicated
- 4.7 The District's FY 06-07 financial statements and records should be ready for audit no later than August 30, 2007. Please submit a timeline for actual field work, draft audit report and final audit report.

5. DEADLINE FOR RECEIPT OF PROPOSALS

The sealed proposal, one original and five (5) copies, and addenda (if any) must be received by the District no later than 5:00 p.m., March 14, 2007.

Mail or deliver to:
Santa Cruz Metropolitan Transit District
Attn: Purchasing Agent
110 Vernon Street, Suite B
Santa Cruz, CA 95060

Marked: "Request for Proposals for Audit and Tax Services RFP No. 06-20 "

The Purchasing Office shall date/time stamp the proposal package. Late proposals will be considered non-responsive and rejected.

6. INQUIRIES AND CORRESPONDENCE

Questions pertaining to this Request for Proposals shall be directed to the Purchasing Agent, Lloyd Longnecker, by email address: llongnec@scmttd.com or by writing to the District Purchasing Office, 110 Vernon Street, Suite B, Santa Cruz, CA 95060. No offeror may consider any verbal instructions, interpretations, or changes as an official expression on the District's behalf. Only written addenda signed by the Purchasing Agent may be considered valid.

7. EVALUATION AND SELECTION

7.1 Evaluation

Proposals will be evaluated on the basis of a variety of respective qualifications-based criteria, including, without limitation, experience, caliber of staff, reputation of company, time commitments of staff performing the audit, completeness and clarity of proposal, price and Disadvantaged Business Enterprise (DBE) participation. The District will consider those firms known to be interested in the account, and other firms known to have similar audit experience.

Proposals will be evaluated according to the following criteria, listed in order of priority, which shall be the sole criteria for determining qualifications for contract award:

| | |
|--|------------------|
| Responsiveness Of Proposal To Scope Of Work And Specifications | 10 Points |
| Contractor's Experience With Governmental Audits | 10 Points |
| Contractor's Experience With Transit Systems Audits | 20 Points |
| Ability Of Contractor To Finish All Required Work By Deadline | 20 Points |
| Use Of Experienced Professional Audit Staff | 20 Points |
| Proposal Pricing | <u>20 points</u> |
| TOTAL POINTS POSSIBLE | 100 points |

7.2 Selection

Oral interviews may be conducted to assist in the final selection.

- 7.2.1 The District reserves the right to make the selection within ninety (90) calendar days from the date proposals are opened, during which period proposals shall not be withdrawn.
- 7.2.2 District reserves the right to delay making a selection in order to permit proper study and analysis of all proposals received and/or reject any or all proposals received.
- 7.2.3 District reserves the right to investigate the qualifications of all firms under consideration, to confirm any part of the information furnished by the firm, and to require further evidence of managerial, financial or professional capabilities which are considered necessary for the successful performance of the Contract.

8. CONTRACT ADMINISTRATION

The Finance Manager of the District shall be the District's administrator for this contract.

9. AWARD OF CONTRACT

It is anticipated that award for the contract for financial audit services will be made at the Santa Cruz Metropolitan Transit District's Board of Director's meeting of April 27, 2007.

PART IV

GENERAL CONDITIONS TO THE CONTRACT

1 GENERAL PROVISIONS

1.01 Governing Law & Compliance with All Laws

This Contract is governed by and construed in accordance with the laws of California. Each party will perform its obligations hereunder in accordance with all applicable laws, rules, and regulations now or hereafter in effect. Contractor shall ensure throughout the terms of this Agreement that all federal, state and local laws and requirements are met including any requirements District is obligated to perform because of receipt of grant funding. Contractor shall also be required to fulfill its obligation as a federal and/or state and/or local sub-recipient of grant funding.

1.02 Right to Modify Contract

District may extend the term of this Contract, expand the Scope of Work, or otherwise amend the Contract. Any such extension, expansion or amendment shall be effective only upon written agreement of the parties in accordance with Section 13.14.

2. TERMINATION

2.01 Termination for Convenience

2.01.01 The performance of Work under this Contract may be terminated by the District upon fifteen (15) days' notice at any time without cause for any reason in whole or in part, whenever the District determines that such termination is in the District's best interest.

2.01.02 Upon receipt of a notice of termination, and except as otherwise directed by the District, the Contractor shall: (1) stop work under the Contract on the date and to the extent specified in the notice of termination; (2) place no further orders or subcontracts for materials, services, or facilities, except as may be necessary for completion of such portion of the Work under the Contract as is not terminated; (3) terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the notice of termination; (4) assign to the District in the manner, at the time, and to the extent directed by the District all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case the District shall have the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts; (5) settle all outstanding liabilities and claims arising out of such termination or orders and subcontracts, with the approval or ratification of the District, to the extent the District may require, which approval or ratification shall be final for all the purposes of this clause; (6) transfer title to the District and deliver in the manner, at the time, and to the extent, if any, directed by District the fabricated or unfabricated parts, work in progress, completed work, supplies and other material produced as a part of, or acquired in connection with the performance of, the work terminated and the completed or partially completed plans, drawings, information and other property which, if the Contract had been completed, would have been required to be furnished to the District; (7) use its best efforts to sell, in the manner, at the time, to the extent, and at the price(s) directed or authorized by the District, any property of the types referred to above provided, however, that the Contract shall not be required to extend credit to any purchaser, and may acquire any such property under the conditions prescribed by and at a price(s) approved by the District, and provided further, that the proceeds of any such transfer or disposition shall be applied in reduction of any payments to be made to the District to the Contractor under this Contract or shall otherwise be credited to the price or cost of the Work covered by this Contract or paid in such other manner as the District may direct; (8) complete performance of

such part of the Work as shall not have been terminated by the notice of termination; and (9) take such action as may be necessary, or as the District may direct, for the protection or preservation of the property related to this Contract which is in the possession of the Contractor and in which the District has or may acquire an interest.

2.02 Termination for Default

2.02.01 The District may, upon written notice of default to the Contractor, terminate the whole or any part of this Contract if the Contractor: (1) fails to complete the Scope of Work within time period stated in the Specifications section of the IFB; (2) fails to perform any of the other provisions of the Contract; or (3) fails to make progress as to endanger performance of this Contract in accordance with its provisions.

2.02.02 If the Contract is terminated in whole or in part for default, the District may procure, upon such terms and in such manner as the District may deem appropriate, supplies or services similar to those so terminated. Without limitation to any other remedy available to the District, the Contractor shall be liable to the District for any excess costs for such similar supplies or services, and shall continue the performance of this Contract to the extent not terminated under the provisions of this clause

2.02.03 If, after notice of termination of this Contract under the provisions of this clause, it is determined for any reason that the Contractor was not in default under the provisions of this clause, or that the default was excusable under the provisions of this clause, the rights and obligations of Contractor and District shall be considered to have been terminated pursuant to termination for convenience of the District pursuant to Article 2.01 from the date of Notification of Default

2.03 No Limitation

The rights and remedies of the District provided in this Article 2 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

3 FORCE MAJEURE

3.01 General

Neither party hereto shall be deemed to be in default of any provision of this Contract, or for any failure in performance, resulting from acts or events beyond the reasonable control of such party. For purposes of this Contract, such acts shall include, but not be limited to, acts of God, civil or military authority, civil disturbance, war, strikes, fires, other catastrophes, or other "force majeure" events beyond the parties' reasonable control; provided, however, that the provisions of this Section 3 shall not preclude District from canceling or terminating this Contract (or any order for any product included herein), as otherwise permitted hereunder, regardless of any force majeure event occurring to Contractor

3.02 Notification by Contractor

Contractor shall notify District in writing as soon as Contractor knows, or should reasonably know, that a force majeure event (as defined in Section 3.01) has occurred that will delay completion of the Scope of Work. Said notification shall include reasonable proofs required by the District to evaluate any Contractor request for relief under this Article 3. District shall examine Contractor's notification and determine if the Contractor is entitled to relief. The District shall notify the Contractor of its decision in writing. The District's decision regarding whether or not the Contractor is entitled to force majeure relief shall be final and binding on the parties

3.03 Losses

Contractor is not entitled to damages, compensation, or reimbursement from the District for losses resulting from any "force majeure" event.

4. PROFESSIONAL STANDARDS

Contractor shall at all times during the term of this Contract possess the technical ability, experience, financial ability, overall expertise, and all other skills, licenses, and resources necessary to perform and complete the scope of work in a timely, professional manner so as to meet or exceed the provisions of this Contract.

5. PROFESSIONAL RELATIONS

5.01 Independent Contractor

No relationship of employer and employee is created by this Contract. In the performance of its work and duties, Contractor is at all times acting and performing as an independent contractor in the practice of its profession. District shall neither have nor exercise control or direction over the methods by which Contractor performs services pursuant to this Contract (including, without limitation, its officers, shareholders, and employees); provided, however, that Contractor agrees that all work performed pursuant to this Contract shall be in strict accordance with currently approved methods and practices in its profession, and in accordance with this Contract. The sole interest of District is to ensure that such services are performed and rendered in a competent and cost effective manner.

5.02 Benefits

Contractor (including, without limitation, its officers, shareholders, subcontractors and employees) has no claim under this Contract or otherwise against the District for social security benefits, workers' compensation benefits, disability benefits, unemployment benefits, vacation pay, sick leave, or any other employee benefit of any kind.

6. INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS

6.01 Scope

Contractor shall exonerate, indemnify, defend, and hold harmless District (which for the purpose of Articles 6 and 7 shall include, without limitation, its officers, agents, employees and volunteers) from and against:

6.01.01 Any and all claims, demands, losses, damages, defense costs, or liability of any kind or nature which District may sustain or incur or which may be imposed upon it for injury to or death of persons, or damage to property as a result of, or arising out of, or in any manner connected with the Contractor's performance under the provisions of this Contract. Such indemnification includes any damage to the person(s) or property (ies) of Contractor and third persons.

6.01.02 Any and all Federal, state and local taxes, charges, fees, or contributions required to be paid with respect to Contractor, Contractor's officers, employees and agents engaged in the performance of this Contract (including, without limitation, unemployment insurance, social security, and payroll tax withholding)

7. INSURANCE

7.01 General

Contractor, at its sole cost and expense, for the full term of this Contract (and any extensions thereof), shall obtain and maintain at minimum all of the following insurance coverage. Such insurance coverage shall be primary coverage as respects District and any insurance or self-insurance maintained by District shall be excess of Contractor's insurance coverage and shall not contribute to it.

7.02 Types of Insurance and Minimum Limits

Contractor shall obtain and maintain during the term of this Contract:

- (1) Worker's Compensation and Employer's Liability Insurance in conformance with the laws of the State of California (not required for Contractor's subcontractors having no employees)
- (2) Contractors vehicles used in the performance of this Contract, including owned, non-owned (e.g. owned by Contractor's employees), leased or hired vehicles, shall each be covered with Automobile Liability Insurance in the minimum amount of \$1,000,000.00 combined single limit per accident for bodily injury and property damage
- (3) Contractor shall obtain and maintain Comprehensive General Liability Insurance coverage in the minimum amount of \$1,000,000.00 combined single limit, including bodily injury, personal injury, and property damage. Such insurance coverage shall include, without limitation:
 - (a) Contractual liability coverage adequate to meet the Contractor's indemnification obligations under this contract.
 - (a) Full Personal Injury coverage
 - (a) Broad form Property Damage coverage
 - (a) A cross-liability clause in favor of the District.
- (4) Contractor shall obtain and maintain Professional Liability Insurance coverage in the minimum amount of \$1,000,000.00.

7.03 Other Insurance Provisions

- (1) As to all insurance coverage required herein, any deductible or self-insured retention exceeding \$5,000.00 shall be disclosed to and be subject to written approval by District
- (2) If any insurance coverage required hereunder is provided on a "claims made" rather than "occurrence" form, Contractor shall maintain such insurance coverage for three (3) years after expiration of the term (and any extensions) of this Contract.
- (3) All required Automobile Liability Insurance and Comprehensive or Commercial General Liability Insurance shall contain the following endorsement as a part of each policy: "The Santa Cruz Metropolitan Transit District is hereby added as an additional insured as respects the operations of the named insured."
- (4) All the insurance required herein shall contain the following clause: "It is agreed that this insurance shall not be canceled until thirty (30) days after the District shall have been given written notice of such cancellation or reduction."
- (5) Contractor shall notify District in writing at least thirty (30) days in advance of any reduction in any insurance policy required under this Contract
- (6) Contractor agrees to provide District at or before the effective date of this Contract with a certificate of insurance of the coverage required.
- (6) All insurance shall be obtained from brokers or carriers authorized to transact business in California and are satisfactory to the District

8. RESERVED

9. NO DISCRIMINATION

The Contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or, sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR, Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy, as recipient deems appropriate

10. DISADVANTAGED BUSINESS ENTERPRISES

The Board of Directors of the Santa Cruz Metropolitan Transit District has adopted a Disadvantaged Business Enterprise Policy to promote the participation of disadvantaged business enterprises (DBE's) in all areas of District contracting to the maximum extent practicable. Consistent with the DBE Policy, the Contractor shall take all necessary and reasonable steps to ensure that DBE firms have the maximum practicable opportunity to participate in the performance of this project and any subcontracting opportunities thereof.

I. PROMPT PAYMENT

11.01 Prompt Progress Payment to Subcontractors

The prime contractor or subcontractor shall pay to any subcontractor not later than 10-days of receipt of each progress payment, in accordance with the provision in Section 7108.5 of the California Business and Professions Code concerning prompt payment to subcontractors. The 10-days is applicable unless a longer period is agreed to in writing. Any delay or postponement of payment over 30-days may take place only for good cause and with the District's prior written approval. Any violation of Section 7108.5 shall subject the violating contractor or subcontractor to the penalties, sanctions, and other remedies of that Section. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the contractor or subcontractor in the event of a dispute involving late payment or nonpayment by the contractor, deficient subcontractor performance, and/or noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors

A. Prompt Payment of Withheld Funds to Subcontractors

The District shall hold retainage from the prime contractor and shall make prompt and regular incremental acceptances of portions, as determined by the District of the contract work and pay retainage to the prime contractor based on these acceptances. The prime contractor or subcontractor shall return all monies withheld in retention from all subcontractors within 30 days after receiving payment for work satisfactorily completed and accepted including incremental acceptances of portions of the contract work by the District. Any delay or postponement of payment may take place only for good cause and with the District's prior written approval. Any violation of these provisions shall subject the violating prime contractor to the penalties, sanctions, and other remedies specified in Section 7108.5 of the California Business Professions Code. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the contractor or subcontractor in the event of: a dispute involving late payment or nonpayment by the contractor; deficient subcontractor performance; and/or noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors.

Prime subcontractors must include the prompt payment language of paragraph 1 in all subcontracts, regardless of subcontractor's DBE status. Failure of a prime contractor to uphold prompt payment requirements for subcontractors will result in District withholding reimbursement for completed work

12. RESERVED

13. MISCELLANEOUS PROVISIONS

13.01 Successors and Assigns

The Contract shall inure to the benefit of, and be binding upon, the respective successors and assigns, if any, of the parties hereto, except that nothing contained in this Article shall be construed to permit any attempted assignment which would be unauthorized or void pursuant to any other provision of this Contract.

13.02 Survival of Rights and Obligations

In the event of termination, the rights and obligations of the parties which by their nature survive termination of the services covered by this Contract shall remain in full force and effect after termination. Compensation and revenues due from one party to the other under this Contract shall be paid; loaned equipment and material shall be returned to their respective owners; the duty to maintain and allow inspection of books, accounts, records and data shall be extended as provided in Section 13.15; and the hold harmless agreement contained in Article 6 shall survive.

13.03 Limitation on District Liability

The District's liability is, in the aggregate, limited to the total amount payable under this Contract.

13.04 Drug and Alcohol Policy

Contractor shall not use, possess, manufacture, or distribute alcohol or illegal drugs during the performance of the Contract or while on District premises or distribute same to District employees.

13.05 Publicity

Contractor agrees to submit to District all advertising, sales promotion, and other public matter relating to any service furnished by Contractor wherein the District's name is mentioned or language used from which the connection of District's name therewith may, within reason, be inferred or implied. Contractor further agrees not to publish or use any such advertising, sales promotion or publicity matter without the prior written consent of District.

13.06 Consent to Breach Not Waiver

No provision hereof shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute a consent to, waiver of, or excuse for any other different or subsequent breach.

13.07 Attorneys' Fees

In the event that suit is brought to enforce or interpret any part of this Contract, the prevailing party shall be entitled to recover as an element of its costs of suit, and not as damages, a reasonable attorney's fee to be fixed by the court. The "prevailing party" shall be the party who is entitled to recover its costs of suit, whether or not the suit proceeds to final judgment. A party not entitled to recover its costs shall not recover attorney's fees. No sum for attorney's fees shall be counted in calculating the amount of a judgment for purposes of determining whether a party is entitled to recover its costs or attorney's fees.

13.08 No Conflict of Interest

Contractor represents that it currently has no interest, and shall not have any interest, direct or indirect, that would conflict in any manner with the performance of services required under this Contract.

13.09 Prohibition of Discrimination against Qualified Handicapped Persons

Contractor shall comply with the provisions of Section 504 of the Rehabilitation Act of 1973, as amended, pertaining to the prohibition of discrimination against qualified handicapped persons in federally-assisted programs

13.10 Cal OSHA/Hazardous Substances

13.10.01 Contractor shall comply with California Administrative Code Title 8, Section 5194, and shall directly (1) inform its employees of the hazardous substances they may be exposed to while performing their work on District property, (2) ensure that its employees take appropriate protective measures, and (3) provide the District's Manager of Facility Maintenance with a Material Safety Data Sheet (MSDS) for all hazardous substances to be used on District property

13.10.02 Contractor shall comply with Cal OSHA regulations and the Hazardous Substance Training and Information Act. Further, said parties shall indemnify the District against any and all damage, loss, and injury resulting from non-compliance with this Article.

13.10.03 Contractor will comply with the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65) California Health and Safety Code Section 25249.5 - 25249.13 Contractor will ensure that clear and reasonable warnings are made to persons exposed to those chemicals listed by the State of California as being known to cause cancer or reproductive toxicity.

13.10.04 Contractor shall be solely responsible for any hazardous material, substance or chemical released or threatened release caused or contributed to by Contractor Contractor shall be solely responsible for all clean-up efforts and costs.

13.11 Non-Assignment of Contract

The Contractor shall not assign, transfer, convey, sublet, or otherwise dispose of the Contract or Contractor's right, title or interest in or to the same or any part thereof without previous written consent by the District; and any such action by Contractor without District's previous written consent shall be void.

13.12 No Subcontract

Contractor shall not subcontract or permit anyone other than Contractor or its authorized staff and subcontractors to perform any of the scope of work, services or other performance required of Contractor under this Contract without the prior written consent of the District. Any such action by Contractor without District's previous consent shall be void

13.13 Severability

If any provision of this Contract is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall continue in full force and effect, and shall in no way be affected, impaired or invalidated

13.14 All Amendments in Writing

No amendment to this Contract shall be effective unless it is in writing and signed by duly authorized representatives of both parties.

13.15 Audit

This Contract is subject to audit by Federal, State, or District personnel or their representatives at no cost for a period of four (4) years after the date of expiration or termination of the Contract. Requests for audits shall be made in writing, and Contractor shall respond with all information requested within ten (10) calendar days of the date of the request. During the four-year period that the Contract is subject to audit, Contractor shall maintain detailed records substantiating all costs and expenses billed against the Contract.

13.16 Smoking Prohibited

Contractor, its employees and agents shall not smoke in any enclosed area on District premises or in a District vehicle

13.17 Responsibility for Equipment

13.17 01 District shall not be responsible nor held liable for any damage to person or property consequent upon the use, or misuse, or failure of any equipment used by Contractor, or any of its employees, even though such equipment be furnished, rented or loaned to Contractor by District.

13.17 02 Contractor is responsible to return to the District in good condition any equipment, including keys, issued to it by the District pursuant to this Agreement. If the contractor fails or refuses to return District-issued equipment within five days of the conclusion of the contract work the District shall deduct the actual costs to repair or replace the equipment not returned from the final payment owed to contractor or take other appropriate legal action at the discretion of the District.

13.18 Grant Contracts

13.18 01 Contractor shall ensure throughout the terms of this Agreement that all federal, state and local laws and requirements are met including any requirements District is obligated to perform because of receipt of grant funding. Contractor shall also be required to fulfill its obligation as a federal and/or state and/or local sub-recipient of grant funding.

13.19 Time of the Essence

13.19 01 Time is of the essence in this Contract

PART V

CONTRACT FOR FINANCIAL AUDIT AND TAX SERVICES (06-20)

THIS CONTRACT is made effective on _____, 2007 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("District"), and _____ ("Contractor").

1 RECITALS

1.01 District's Primary Objective

District is a public entity whose primary objective is providing public transportation and has its principal office at 370 Encinal Street, Suite 100, Santa Cruz, California 95060

1.02 District's Need for Financial Audit and Tax Services

District has the need for Financial Audit and Tax Services. In order to obtain these services, the District issued a Request for Proposals, dated February 13, 2007, setting forth specifications for such services. The Request for Proposals is attached hereto and incorporated herein by reference as Exhibit "A".

1.03 Contractor's Proposal

Contractor is a firm/individual qualified to provide Financial Audit and Tax Services and whose principal place of business is _____. Pursuant to the Request for Proposals by the District, Contractor submitted a proposal for Financial Audit and Tax Services, which is attached hereto and incorporated herein by reference as Exhibit "B."

1.04 Selection of Contractor and Intent of Contract

On _____, District selected Contractor as the offeror whose proposal was most advantageous to the District, to provide the Financial Audit and Tax Services described herein. This Contract is intended to fix the provisions of these services.

District and Contractor agree as follows:

2 INCORPORATED DOCUMENTS AND APPLICABLE LAW

2.01 Documents Incorporated in this Contract

The documents below are attached to this Contract and by reference made a part hereof. This is an integrated Contract. This writing constitutes the final expression of the parties' contract, and it is a complete and exclusive statement of the provisions of that Contract, except for written amendments, if any, made after the date of this Contract in accordance with Section 13.14.

A. Exhibit "A"

Santa Cruz Metropolitan Transit District's "Request for Proposals" dated February 13, 2007

B. Exhibit "B" (Contractor's Proposal)

Contractor's Proposal to the District for Financial Audit and Tax Services, signed by Contractor and dated March 14, 2007.

2.02 Conflicts

Where in conflict, the provisions of this writing supersede those of the above-referenced documents, Exhibits "A" and "B". Where in conflict, the provisions of Exhibit "A" supercede Exhibit "B".

2.03 Recitals

The Recitals set forth in Article 1 are part of this Contract

3. DEFINITIONS

3.01 General

The terms below (or pronouns in place of them) have the following meaning in the contract:

3 01 01 CONTRACT - The Contract consists of this document, the attachments incorporated herein in accordance with Article 2, and any written amendments made in accordance with Section 13.14

3 01 02 CONTRACTOR - The Contractor selected by District for this project in accordance with the Request for Proposals issued February 13, 2007

3 01 03 CONTRACTOR'S STAFF - Employees of Contractor.

3.01.04 DAYS - Calendar days.

3 01 05 OFFEROR - Contractor whose proposal was accepted under the terms and conditions of the Request for Proposals issued February 13, 2007.

3 01 06 PROVISION - Any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulation in the contract that defines or otherwise controls, establishes, or limits the performance required or permitted by either party.

3 01 07 SCOPE OF WORK (OR "WORK") - The entire obligation under the Contract, including, without limitation, all labor, equipment, materials, supplies, transportation, services, and other work products and expenses, express or implied, in the Contract

4 TIME OF PERFORMANCE

4 01 Term

The term of this Contract will be for a period not to exceed one (1) year and shall commence upon the issuance of the contract by the District

At the option of the District, this contract agreement may be renewed for four (4) additional one (1) year terms upon mutual written consent.

5. COMPENSATION

5 01 Terms of Payment

District shall compensate Contractor in an amount not to exceed the amounts/rates agreed upon by the District. District shall reasonably determine whether work has been successfully performed for purposes of

payment. Compensation shall be made within forty-five (45) days of District written approval of Contractor's written invoice for said work. Contractor understands and agrees that if he/she exceeds the \$ _____ maximum amount payable under this contract, that it does so at its own risk

5.02 Invoices

Contractor shall submit invoices with a project number provided by the District on a monthly basis. Contractor's invoices shall include detailed records showing actual time devoted, work accomplished, date work accomplished, personnel used, and amount billed per hour. Expenses shall only be billed if allowed under the Contract. Telephone call expenses shall show the nature of the call and identify location and individual called. Said invoice records shall be kept up-to-date at all times and shall be available for inspection by the District (or any grantor of the District, including, without limitation, any State or Federal agency providing project funding or reimbursement) at any time for any reason upon demand for not less than four (4) years after the date of expiration or termination of the Contract. Under penalty of law, Contractor represents that all amounts billed to the District are (1) actually incurred; (2) reasonable in amount; (3) related to this Contract; and (4) necessary for performance of the project.

6. NOTICES

All notices under this Contract shall be deemed duly given upon delivery, if delivered by hand; or three (3) days after posting, if sent by registered mail, receipt requested; to a party hereto at the address hereunder set forth or to such other address as a party may designate by notice pursuant hereto.

DISTRICT

Santa Cruz Metropolitan Transit District
370 Encinal Street
Suite 100
Santa Cruz, CA 95060
Attention: General Manager

CONTRACTOR

Attention: _____

7 AUTHORITY

Each party has full power and authority to enter into and perform this Contract and the person signing this Contract on behalf of each has been properly authorized and empowered to enter into this Contract. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it.

Signed on _____

DISTRICT
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR

By _____

Approved as to Form:

Margaret Rose Gallagher
District Counsel

PART VI

FEDERAL TRANSIT ADMINISTRATION REQUIREMENTS FOR NON-CONSTRUCTION CONTRACTS

1.0 GENERAL

This Contract is subject to the terms of a financial assistance contract between the Santa Cruz Metropolitan Transit District and the Federal Transit Administration (FTA) of the United States Department of Transportation.

2.0 INTEREST TO MEMBERS OF OR DELEGATES TO CONGRESS

In accordance with 18 U.S.C. 431, no member of, nor delegates to, the Congress of the United States shall be admitted to a share or part of this Contract or to any benefit arising therefrom.

3.0 INELIGIBLE CONTRACTORS

Neither Contractor, subcontractor, nor any officer or controlling interest holder of Contractor or subcontractor, is currently, or has been previously, on any debarred bidders list maintained by the United States Government.

4.0 EQUAL EMPLOYMENT OPPORTUNITY (Not applicable to contracts for standard commercial supplies and raw materials)

In connection with the execution of this Contract, the Contractor shall not discriminate against any employee or application for employment because of race, religion, color, sex, age (40 or over), national origin, pregnancy, ancestry, marital status, medical condition, physical handicap, sexual orientation, or citizenship status. The Contractor shall take affirmative action to insure that applicants employed and that employees are treated during their employment, without regard to their race, religion, color, sex, national origin, etc. Such actions shall include, but not be limited to the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and, selection for training including apprenticeship. Contractor further agrees to insert a similar provision in all subcontracts, except subcontracts for standard commercial supplies or raw materials.

5.0 TITLE VI CIVIL RIGHTS ACT OF 1964

During the performance of this Contract, the Contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

5.1 Compliance with Regulations

The Contractor shall comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the "Regulations"), which are herein incorporated by reference and made a part of this Contract.

5.2 Nondiscrimination

The Contractor, with regard to the work performed by it during the Contract, shall not discriminate on the grounds of race, religion, color, sex, age or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor shall not participate either directly or indirectly in the discrimination prohibited in Section 21.5 of the Regulations, including employment practices when the Contract covers a program set forth in Appendix B of the regulations.

5.3 Solicitations for Subcontracts, Including Procurements of Materials and Equipment

In all solicitations either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the Contractor of the Contractor's obligations under this Contract and the Regulations relative to nondiscrimination on the grounds of race, religion, color, sex, age or national origin.

5.4 Information and Reports

The Contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the District or the Federal Transit Administration (FTA) to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information is required or a Contractor is in the exclusive possession of another who fails or refuses to furnish this information, the Contractor shall so certify to the District, or the Federal Transit Administration, as appropriate, and shall set forth what efforts it has made to obtain the information.

5.5 Sanctions for Noncompliance

In the event of the Contractor's noncompliance with the nondiscrimination provisions of this Contract, the District shall impose such contract sanctions as it or the Federal Transit Administration may determine to be appropriate, including, but not limited to:

- (a) Withholding of payments to the Contractor under the Contract until the Contractor complies; and/or,
- (b) Cancellation, termination or suspension of the Contract, in whole or in part

5.6 Incorporation of Provisions

The Contractor shall include the provisions of Paragraphs (1) through (6) of this section in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The Contractor shall take such action with respect to any subcontract or procurement as the District or the Federal Transit Administration may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the Contractor may require the District to enter into such litigation to protect the interests of the District, and, in addition, the Contractor may request the services of the Attorney General in such litigation to protect the interests of the United States.

6.0 CLEAN AIR AND FEDERAL WATER POLLUTION CONTROL ACTS (Applicable only to contracts in excess of \$100,000)

Contractor shall comply with all applicable standards, orders or requirements issued under Section 306 of the Clean Air Act (42 USC 1857[h]), Section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738, and Environmental Protection Agency Regulations (40 CFR, Part 15), which prohibit the use under non-exempt Federal contracts, grants or loans of facilities included on the EPA List of Violating Facilities. Contractor shall report all violations to FTA and to the USEPA Assistant Administrator for Enforcement (EN0329).

7.0 CONSERVATION

Contractor shall recognize mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 USC Section 6321, et seq)

8.0 AUDIT AND INSPECTION OF RECORDS (Applicable only to sole source or negotiated contracts in excess of \$10,000)

Contractor agrees that the District, the Comptroller General of the United States, or any of their duly authorized representatives shall, for the purpose of audit and examination, be permitted to inspect all work, materials, payrolls and other data and records with regard to the project, and to audit the books, records and accounts with regard to the project. Further, Contractor agrees to maintain all required records for at least three years after District makes final payments and all other pending matters are closed

9.0 LABOR PROVISIONS (Applicable only to contracts of \$2,500.00 or more that involve the employment of mechanics or laborers)

9.1 Overtime Requirements

No Contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any work week in which he or she is employed on such work to work in excess of eight (8) hours in any calendar day or in excess of forty (40) hours in such work week unless such laborer or mechanic receives compensation at a rate not less than one and one-half (1 1/2) times the basic rate of pay for all hours worked in excess of eight (8) hours in any calendar day or in excess of forty (40) hours in such work week, whichever is greater.

9.2 Violation; Liability for Unpaid Wages; Liquidated Damages

In the event of any violation of the clause set forth in subparagraph (b)(1) of 29 CFR Section 5.5, the Contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such Contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such district or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (b)(1) of which such individual was required or permitted to work in excess of eight (8) hours in excess of the standard work week of forty (40) hours without payment of the overtime wages required by the clause set forth in subparagraph (b)(1) of 29 CFR Section 5.5

9.3 Withholding for Unpaid Wages and Liquidated Damages

DOI or the District shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any monies payable on account of work performed by the Contractor or subcontractor under any such contract or any other Federal contract with the same prime Contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime Contractor, such sums as may be determined to be necessary to satisfy any liabilities of such Contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b)(2) of 29 CFR Section 5.5

9.4 Nonconstruction Grants

The Contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three (3) years from the completion of

the Contract for all laborers and mechanics, including guards and watchmen, working on the Contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made and actual wages paid. Further, the District shall require the contracting officer to insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the Contractor or subcontractor for inspection, copying or transcription by authorized representatives of DOT and the Department of Labor, and the Contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

9.5 Subcontracts

The Contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (5) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (5) of this paragraph.

10.0 CARGO PREFERENCE (Applicable only to Contracts under which equipment, materials or commodities may be transported by ocean vehicle in carrying out the project)

The Contractor agrees:

- 10.1 To utilize privately owned United States-flag commercial vessels to ship at least fifty percent (50%) of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners and tankers) involved, whenever shipping any equipment, materials or commodities pursuant to this section, to the extent such vessels are available at fair and reasonable rates for United States-flag commercial vessels.
- 10.2 To furnish within 30 days following the date of loading for shipments originating within the United States, or within thirty (30) working days following the date of loading for shipment originating outside the United States, a legible copy of a rated, "on-board" commercial ocean bill-of-lading in English for each shipment of cargo described in paragraph (1) above, to the District (through the prime Contractor in the case of subcontractor bills-of-lading) and to the Division of National Cargo, Office of Market Development, Maritime Administration, 400 Seventh Street, S.W., Washington D. C. 20590, marked with appropriate identification of the project.
- 10.3 To insert the substance of the provisions of this clause in all subcontracts issued pursuant to this Contract.

11.0 BUY AMERICA PROVISION

This procurement is subject to the Federal Transportation Administration Buy America Requirements in 49 CFR 661. A Buy America Certificate, if required format (see Form of Proposal or Bid Form) must be completed and submitted with the proposal. A proposal that does not include the certificate shall be considered non-responsive. A waiver from the Buy America Provision may be sought by the District if grounds for the waiver exist. Section 165a of the Surface Transportation Act of 1982 permits FTA participation on this Contract only if steel and manufactured products used in the Contract are produced in the United States. In order for rolling stock to qualify as a domestic end product, the cost of components produced in the United States must exceed sixty percent (60%) of the cost of all components, and final assembly must take place in the United States.

12 0 DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION

12 1 Policy

It is the policy of the U.S. Department of Transportation that Disadvantaged Business Enterprises as defined in 49 CFR Part 26 shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with Federal funds under this Agreement. Consequently, the DBE requirements of 49 CFR Part 26 apply to this Agreement.

12 2 DBE Obligation

District and Contractor agree to insure that Disadvantaged Business Enterprises as defined in 49 CFR Part 26 have the maximum opportunity to participate in the performance of contracts and subcontracts under this Agreement. In this regard, District and Contractor shall take all necessary and reasonable steps in accordance with 49 CFR Part 26 to insure that Disadvantaged Business Enterprises have the maximum opportunity to compete for and perform Contracts. District and Contractor shall not discriminate on the basis of race, creed, color, national origin, age or sex in the award and performance of DOT-assisted Contracts.

12.3 Transit Vehicle Manufacturers

Transit vehicle manufacturers must certify compliance with DBE regulations.

13 0 CONFLICT OF INTEREST

No employee, officer or agent of the District shall participate in selection, or in the award of administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when (1) the employee, officer or agent; (2) any member of his or her immediate family; (3) his or her partner; or (4) an organization that employs, or is about to employ, has a financial or other interest in the firm selected for award. The District's officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from Contractors, potential Contractors or parties of sub agreements.

14.0 MOTOR VEHICLE EMISSION REQUIREMENTS (Applicable only to Contracts involving the purchase of new motor vehicles)

The Contractor must provide a certification that:

- (a) The horsepower of the vehicle is adequate for the speed, range, and terrain in which it will be required and also to meet the demands of all auxiliary equipment
- (b) All gases and vapors emanating from the crankcase of a spark-ignition engine are controlled to minimize their escape into the atmosphere.
- (c) Visible emission from the exhaust will not exceed No. 1 on the Ringlemann Scale when measured six inches (6") from the tail pipe with the vehicle in steady operation
- (d) When the vehicle has been idled for three (3) minutes and then accelerated to eighty percent (80%) of rated speed under load, the opacity of the exhaust will not exceed No. 2 on the Ringlemann Scale for more than five (5) seconds, and not more than No. 1 on the Ringlemann Scale thereafter

15.0 MOTOR VEHICLE SAFETY STANDARDS (Applicable only to contracts involving the purchase of new motor vehicles)

The Contractor will assure that the motor vehicles purchased under this contract will comply with the Motor Vehicle Safety Standards as established by the Department of Transportation at 49 CFR Parts 390 and 571.

16.0 DEBARRED BIDDERS

The Contractor, including any of its officers or holders of a controlling interest, is obligated to inform the District whether or not it is or has been on any debarred bidders' list maintained by the United States Government. Should the Contractor be included on such a list during the performance of this project, Contractor shall so inform the District.

17.0 PRIVACY (Applicable only to Contracts involving the administration of any system of records as defined by the Privacy Act of 1974, on behalf of the Federal Government)

17.1 General

The District and Contractor agree:

- (a) To comply with the Privacy Act of 1974, 5 U.S.C. 552a (the Act) and the rules and regulations issued pursuant to the Act when performance under the Contract involves the design, development or operation of any system of records on individuals to be operated by the District, its contractors or employees to accomplish a Government function.
- (b) To notify the Government when the District or Contractor anticipates operating a system of records on behalf of the Government in order to accomplish the requirements of this Agreement, if such system contains information about individuals which information will be retrieved by the individual's name or other identifier assigned to the individual. A system of records subject to the Act may not be employed in the performance of this Agreement until the necessary approval and publication requirements applicable to the system have been carried out. The District or Contractor, as appropriate, agrees to correct, maintain, disseminate, and use such records in accordance with the requirements of the Act, and to comply with all applicable requirements of the Act.
- (c) To include the Privacy Act Notification contained in this Agreement in every subcontract solicitation and in every subcontract when the performance of Work under the proposed subcontract may involve the design, development or operation of a system of records on individuals that is to be operated under the Contract to accomplish a Government function; and
- (d) To include this clause, including this paragraph in all in subcontracts under which Work for this Agreement is performed or which is awarded pursuant to this Agreement or which may involve the design, development, or operation of such a system of records on behalf of the Government.

17.2 Applicability

For purposes of the Privacy Act, when the Agreement involves the operation of a system of records on individuals to accomplish a Government function, the District, third party contractors and any of their employees are considered to be employees of the Government with respect to the Government function and the requirements of the Act, including the civil and criminal penalties for violations of the Act, are applicable except that the criminal penalties shall not apply with regard to contracts effective prior to September 27, 1975. In addition, failure to comply with the provisions of the Act or of this clause will make this Agreement subject to termination.

17.3 Definitions

The terms used in this clause have the following meanings:

- (a) "Operation of a system of records" means performance of any of the activities associated with maintaining the system of records on behalf of the Government including the collection, use and dissemination of records.
- (b) "Records" means any item, collection or grouping of information about an individual that is maintained by the District or Contractor on behalf of the Government, including, but not limited to, his education, financial transactions, medical history, and criminal or employment history and that contains his name, or the identifying number, symbol or other identifying particular assigned to the individual, such as a finger or voice print or a photograph
- (c) "System of records" on individuals means a group of any records under the control of the District or Contractor on behalf of the Government from which information is retrieved by the name of the individual or by some identifying number, symbol or other identifying particular assigned to the individual

18.0 PATENT RIGHTS (Applicable only to research and development contracts)

If any invention, improvement or discovery of the District or contractors or subcontractors is conceived or first actually reduced to practice in the course of or under this project which invention, improvement, or discovery may be patentable under the Patent Laws of the United States of America or any foreign country, the District (with appropriate assistance of any contractor or subcontractor involved) shall immediately notify the Government (FTA) and provide a detailed report. The rights and responsibilities of the District, third party contractors and subcontractors and the Government with respect to such invention will be determined in accordance with applicable Federal laws, regulations, policies and any waivers thereof.

19.0 RIGHTS IN DATA (Applicable only to research and development contracts)

The term "subject data" as used herein means recorded information, whether or not copyrighted, that is delivered or specified to be delivered under this Contract. The term includes graphic or pictorial delineation in media such as drawings or photographs; text in specifications or related performance or design-type documents, machine forms such as punched cards, magnetic tape or computer memory printouts; and information retained in computer memory. Examples include, but are not limited to, engineering drawings and associated lists, specifications, standards, process sheets, manuals, technical reports, catalog item identifications and related information. The term does not include financial reports, cost analyses and similar information incidental to contract administration.

All "subject data" first produced in the performance of this Agreement shall be the sole property of the Government. The District and Contractor agree not to assert any rights at common law or equity and not to establish any claim to statutory copyright in such data. Except for its own internal use, the District and Contractor shall not publish or reproduce such data in whole or in part, or in any manner or form, nor authorize others to do so, without the written consent of the Government until such time as the Government may have released such data to the public. This restriction, however, does not apply to Agreements with academic institutions.

The District and Contractor agree to grant and do hereby grant to the Government and to its officers, agents, and employees acting within the scope of their official duties, a royalty-free, non-exclusive and irrevocable license throughout the world:

- (a) To publish, translate, reproduce, deliver, perform, use and dispose of, in any manner, any and all data not first produced or composed in the performance of this Contract but which is incorporated in the work furnished under this Contract; and
- (b) To authorize others so to do

District and Contractor shall indemnify and save and hold harmless the Government, its officers, agents, and employees acting within the scope of their official duties against any liability, including costs and expenses, resulting from any willful or intentional violation by the District and Contractor of proprietary rights, copyrights or

rights of privacy, arising out of the publication, translation, reproduction, delivery, performance, use, or disposition of any data furnished under this Contract

Nothing contained in this clause shall imply a license to the Government under any patent or be construed as affecting the scope of any license or other right otherwise granted to the Government under any patent

The third and fourth paragraphs under Section 19.0 above are not applicable to material furnished to the District or Contractor by the Government and incorporated in the work furnished under the Contract, provided that such incorporated material is identified by the District or Contractor at the time of delivery of such work.

In the event that the project, which is the subject of this Agreement, is not completed, for any reason whatsoever, all data generated under that project shall become subject data as defined in the Rights in Data clause in this Contract and shall be delivered as the Government may direct. This clause shall be included in all subcontracts under this Contract

20.0 NEW RESTRICTIONS ON LOBBYING

20.1 Prohibition

- (a) Section 1352 of Title 31, U.S. Code, provides in part that no appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (b) The prohibition does not apply as follows:
 - (i) Agency and legislative liaison by Own Employees.
 - (ii) Professional and technical services by Own Employees
 - (iii) Reporting for Own Employees.
 - (iv) Professional and technical services by Other than Own Employees.

20.2 Disclosure

- (a) Each person who requests or receives from an agency a Federal contract shall file with that agency a certification, included in Form of Proposal or Bid Forms, that the person has not made, and will not make, any payment prohibited by Section 20.1 of this clause.
- (b) Each person who requests or receives from an agency a Federal contract shall file with that agency a disclosure form, Standard Form-LLL, "Disclosure of Lobbying Activities," if such person has made or has agreed to make any payment using non-appropriated funds (to include profits from any covered Federal action), which would be prohibited under Section 20.1 of this clause if paid for with appropriated funds.
- (c) Each person shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed by such person under paragraph (c)(2) of this section. An event that materially affects the accuracy of the information reported includes:

- (i) a cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered Federal action; or
 - (ii) a change in the person(s) or individual(s) influencing or attempting to influence a covered Federal action; or
 - (iii) a change in the officer(s), employee(s), or Member(s) contacted to influence or attempt to influence a covered Federal action.
- (d) Any person who requests or receives from a person referred to in paragraph (c)(i) of this section a subcontract exceeding \$100,000 at any tier under a Federal contract shall file a certification, and a disclosure form, if required, to the next tier above
 - (e) All disclosure forms, but not certifications, shall be forwarded from tier to tier until received by the person referred to in paragraph (c)(i) of this section. That person shall forward all disclosure forms to the agency.

20.3 Agreement

In accepting any contract resulting from this solicitation, the person submitting the offer agrees not to make any payment prohibited by this clause

20.4 Penalties

- (a) Any person who makes an expenditure prohibited under Section 20.1 of this clause shall be subject to a civil penalty of not less than \$10,000 for each such expenditure
- (b) Any person who fails to file or amend the disclosure form to be filed or amended if required by this clause, shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure
- (c) Contractors may rely without liability on the representations made by their sub-contractors in the certification and disclosure form.

20.5 Cost allowability

Nothing in this clause is to be interpreted to make allowable or reasonable any costs which would be unallowable or unreasonable in accordance with Part 31 of the Federal Acquisition Regulation. Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any of the provisions of Part 31 of the Federal Acquisition Regulation.

PART VII

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT PROTEST PROCEDURES

PROCUREMENT PROTESTS

All protests shall be filed, handled and resolved in a manner consistent with the requirements of Federal Transit Administration (FTA) Circular 4220.1E Third Party Contracting Guidelines dated June 19, 2003 and the Santa Cruz Metropolitan Transit District's (DISTRICT) Protest Procedures which are on file and available upon request

Current FTA Policy states that: "Reviews of protests by FTA will be limited to:

- (1) a grantee's failure to have or follow its protest procedures, or its failure to review a complaint or protest; or
- (2) violation of Federal law or regulation

An appeal to FTA must be received by the cognizant FTA regional or Headquarters Office within five (5) working days of the date the protester learned or should have learned of an adverse decision by the grantee or other basis of appeal to FTA" (FTA Circular 4220 1E, Section 7, paragraph 1 , Written Protest Procedures)

Protests relating to the content of this Request for Proposal (RFP) package must be filed within ten (10) calendar days after the date the RFP is first advertised. Protests relating to a recommendation for award solicited by this RFP must be filed by an interested party within five (5) calendar days after the staff's written recommendation and notice of intent to award is issued to the offerors. The date of filing shall be the date of receipt of protests or appeals by the DISTRICT

All Protests shall be filed in writing with the Assistant General Manager, Santa Cruz Metropolitan Transit District, 370 Encinal Street, Suite 100, Santa Cruz, CA 95060. **No other location shall be acceptable.** The DISTRICT will respond in detail to each substantive issue raised in the protest. The Assistant General Manager shall make a determination on the protest normally within ten (10) working days from receipt of protest. Any decision rendered by the Assistant General Manager may be appealed to the Board of Directors. The Protester has the right within five (5) working days of receipt of determination to file an appeal restating the basis of the protest and the grounds of the appeal. In the appeal, the Protester shall only be permitted to raise factual information previously provided in the protest or discovered subsequent to the Assistant General Manager's decision and directly related to the grounds of the protest. The Board of Directors has the authority to make a final determination and the Board of Director's decision shall constitute the DISTRICT's final administrative remedy.

In the event the protestor is not satisfied with the DISTRICT's final administrative determination, they may proceed within 90 days of the final decision to State Court for judicial relief. The Superior Court of the State of California for the County of Santa Cruz is the appropriate judicial authority having jurisdiction over Proposal Protest(s) and Appeal(s). Bid includes the term "offer" or "proposal" as used in the context of negotiated procurements.

The Offeror may withdraw its protest or appeal at any time before the DISTRICT issues a final decision

Should the DISTRICT postpone the date of proposal submission owing to a protest or appeal of the solicitation specifications, addenda, dates or any other issue relating to this procurement, the DISTRICT shall notify, via addendum, all parties who are on record as having obtained a copy of the solicitation documents that an appeal/protest had been filed, and the due date for proposal submission shall be postponed until the DISTRICT has issued its final decision.

A letter of protest must set forth the grounds for protest and shall be fully supported with technical data, test results, or other pertinent information related to the subject being protested. The Protestor is responsible for adhering to the DISTRICT's protest procedures

An Offeror may seek FTA review of the DISTRICT's decision. A protest appeal to the FTA must be filed in accordance with the provisions of FTA circular 4220 1E. Any appeal to the FTA shall be made not later than five (5) working days after a final decision is rendered under the DISTRICT's protest procedure. Protest appeals should be filed with:

Federal Transit Administration
Regional Administrator Region IX
201 Mission Street, Suite 2210
San Francisco, CA 94105-1839

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Request for Proposals (RFP)

For Financial Audit and Tax Services

District RFP NO. 06-20

ATTACHMENT A

**District's Financial Statements and Report of
Independent Certified Public Accountants, June 30, 2006**



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

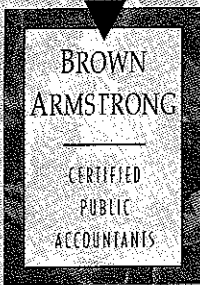
**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT**

JUNE 30, 2006 AND 2005

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
JUNE 30, 2006 AND 2005**

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M Sharon Jones, CPA, MST
Diana H Branthoover, CPA
Matthew R Gilligan, CPA
Michael C Olivares, CPA
Hanna J Sheppard, CPA
Ryan S Johnson, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Santa Cruz Metropolitan Transit District
Santa Cruz, California

We have audited the accompanying basic financial statements of the Santa Cruz Metropolitan Transit District (the District), as of June 30, 2006 and 2005, as listed in the table of contents. These basic financial statements are the responsibility of the Santa Cruz Metropolitan Transit District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Santa Cruz Metropolitan Transit District, as of June 30, 2006 and 2005, and the results of its operations and the cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2006 on our consideration of the Santa Cruz Metropolitan Transit District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 3 through 6 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Santa Cruz Metropolitan Transit District, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is not a required part of the financial statements. The accompanying statements of operating expenses by function are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

BROWN ARMSTRONG PAULDEN
McCOWN STARBUCK THORNBURGH & KEETER
ACCOUNTANCY CORPORATION



Bakersfield, California
October 26, 2006

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2006 AND 2005**

Introduction

This report provides a narrative and analytical overview of the financial activities of the Santa Cruz Metropolitan Transit District (the District) with selected comparative information for the years ended June 30, 2006 and 2005. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section

The District is an independent agency formed in 1969 by the legislature of the State of California for the purpose of providing transit service to the general public in Santa Cruz County. The District is governed by a Board of Directors composed of eleven members, and one ex-officio member as described in Note 1.A

The Financial Statements

The District's basic financial statements are prepared using proprietary fund (enterprise fund) accounting that uses the same basis of accounting as private-sector business enterprises. The District reports its financial results using one enterprise fund under the accrual method of accounting which records revenue when earned and expenses when incurred.

The Statements of Net Assets present information on the District's assets and liabilities, with the difference between the two reported as net assets.

The Statements of Revenue, Expenses and Changes in Fund Net Assets report the *operating* revenues and expenses, *non-operating* revenues and expenses and *capital grant* revenues. *Capital grant* expenses are listed in the Schedule of Expenditures of Federal Awards and are included in the current year increase in fixed assets.

The Statements of Cash Flows report the sources and uses of cash for the fiscal years resulting from *operating* activities, *non-capital* financing activities (operating grants and sales tax revenue), *capital* financing activities (acquisitions and disposal) and *financing* activities (non-transportation revenues). The net result of these activities, added to the cash balances at the beginning of the year reconciles to the cash balances (current plus restricted) at the end of the current fiscal year on the Statement of Net Assets.

The Statements of Operating Expenses, located in the Supplementary Information section of the financial statements, reports expenditures in greater detail.

Financial Highlights

A strike called by United Transportation Union, Local 23, began on September 27, 2005, resulting in the immediate cessation of all fixed-route bus service. ParaCruz (complementary paratransit service) continued to operate. The strike significantly reduced revenues and expenses from September 27, 2005, to November 2, 2005. The District offered fare-free days to riders when service resumed on November 3, 2005, which impacted passenger revenue.

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2006 AND 2005**

Condensed Statement of Net Assets:

| | 2006 | 2005 | Increase/(Decrease) | |
|-------------------|---------------|---------------|---------------------|-----|
| | | | Amount | % |
| Total Assets | \$ 71,935,684 | \$ 68,424,328 | \$ 3,511,356 | 5% |
| Total Liabilities | \$ 24,151,964 | \$ 20,616,897 | \$ 3,535,067 | 17% |
| Total Net Assets | \$ 47,783,720 | \$ 47,807,431 | \$ (23,711) | 0% |

Total Assets increased primarily due to sales tax and other receivables and construction in progress. Total Liabilities increased from accounts payable and the addition to restricted capital funds (STA).

An increase or decrease in net assets is an indicator of the financial health of the District's. For the fiscal year ended June 30, 2005, the District's net assets increased by \$1,261,781 due to federal, state and local capital contribution for capital acquisitions. For the fiscal year ended June 30, 2006, the District's net assets decreased by \$23,711, which is the equivalent of no change.

Condensed Statement of Revenues, Expenses and Change in Fund Net Assets:

| | 2006 | 2005 | Increase/(Decrease) | |
|-----------------------------------|--------------|--------------|---------------------|-------|
| | | | Amount | % |
| Operating Revenues | \$ 6,283,590 | \$ 7,120,869 | \$ (837,279) | -12% |
| Operating Expenses | (35,021,591) | (34,994,171) | (27,420) | 0% |
| Operating Loss | (28,738,001) | (27,873,302) | (864,699) | 3% |
| Nonoperating Revenues | 27,059,329 | 24,958,525 | 2,100,804 | 8% |
| Capital Contributions | 1,654,961 | 4,176,558 | (2,521,597) | -60% |
| Increase (Decrease) in Net Assets | \$ (23,711) | \$ 1,261,781 | \$ (1,285,492) | -102% |

Operating revenue decreased due to the 2005 strike and subsequent loss of riders. Non-operating revenues increased 8% due to higher interest income resulting from more favorable interest rates, along with higher sales tax revenue.

Operating expenses were flat due to the strike. Pension, healthcare and fuel costs continue to be a significant cause of a higher cost of operating. However, those increases were offset by decreases in other expense categories. The increase in absence with pay was due to the fact that most employees represented by Service Employees International Union, Local 415, were on paid status during the five-week strike. This increase was matched by a corresponding decrease in other salaries and wages.

Capital contributions are capital grant funds received for purchases of revenue vehicles and facilities improvement. Capital acquisitions were significantly reduced from the prior year because no buses were purchased during the year.

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2006 AND 2005**

**Supplemental Revenue, Expense and Performance Report:
(based on FTA account grouping guidelines)**

| | 2006 | 2005 | % Change |
|---|----------------------|----------------------|-------------|
| Revenues | | | |
| Passenger Fares | \$ 6,283,590 | \$ 7,120,869 | -11.8% |
| Sales and Use Tax | 16,583,132 | 15,848,098 | 4.6% |
| Non-Operating Revenues ⁽¹⁾ | 1,649,085 | 709,709 | 132.4% |
| TDA ⁽²⁾ | 5,740,612 | 5,413,251 | 6.0% |
| Federal Operating Assistance | 3,087,031 | 3,203,659 | -3.6% |
| Total Operating Revenue | \$ 33,343,450 | \$ 32,295,586 | 3.2% |
| Expenses | | | |
| Route Operation | \$ 19,010,849 | \$ 19,035,254 | -0.1% |
| Vehicle Maintenance | 4,855,236 | 4,684,140 | 3.7% |
| Facilities Maintenance | 1,227,780 | 1,325,515 | -7.4% |
| General Administration | 6,152,708 | 5,975,454 | 3.0% |
| Total Operating Expense (excluding depreciation) | \$ 31,246,573 | \$ 31,020,363 | 0.7% |
| Performance Indicators ⁽³⁾ | | | |
| Total Passengers | 4,850,405 | 5,581,328 | -13.1% |
| Revenue Hours | 237,645 | 247,464 | -4.0% |
| Revenue Miles | 3,400,955 | 3,701,940 | -8.1% |
| Farebox Recovery Ratio ⁽⁴⁾ | | | |
| | 20.1% | 23.0% | -12.4% |
| Cost/Passenger | \$ 6.44 | \$ 5.56 | 15.9% |
| Cost/Hour | \$ 131.48 | \$ 125.35 | 4.9% |
| Cost/Mile | \$ 9.19 | \$ 8.38 | 9.6% |
| Full Time Equivalent Employees | 321 | 305 | 5.2% |
| Active Fleet - Fixed Route | 113 | 111 | 1.8% |
| Active Fleet - Paratransit | 33 | 32 | |

(1) Non-Operating Revenues increased substantially due to higher interest rates and interest income in 2006

(2) Transportation Development Act (TDA) funding constitutes a significant percentage of the District's operating revenues. The funding the District receives fluctuates annually based on retail sales in the County and by the amount retained by the Santa Cruz County Regional Transportation Commission for other county-wide projects and overhead.

(3) Farebox Recovery Ratio is a standard transit performance indicator that is calculated by dividing passenger fares by operating expenses.

(4) Restated for 2005 to include paratransit ridership

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2006 AND 2005**

Condensed Statement of Cash Flows:

| | <u>2006</u> | <u>2005</u> | <u>Change</u> |
|---|----------------------|----------------------|---------------------|
| Net Cash (Used) in Operating Activities | \$ (23,524,607) | \$ (23,477,969) | \$ (46,638) |
| Net Cash Provided by Non-Capital Financing Activities | 24,410,619 | 24,319,820 | 90,799 |
| Net Cash Provided by (Used) in Capital and Related Financing Activities | 263,631 | (592,234) | 855,865 |
| Net Cash Provided by Non-Transportation Activities | <u>1,217,371</u> | <u>631,517</u> | <u>585,854</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 2,367,014 | 881,134 | 1,485,880 |
| Cash and Cash Equivalents, Beginning of Year | <u>29,521,766</u> | <u>28,640,632</u> | <u>881,134</u> |
| Cash and Cash Equivalents End of Year | <u>\$ 31,888,780</u> | <u>\$ 29,521,766</u> | <u>\$ 2,367,014</u> |

Cash and cash equivalents held by the District increased by \$881,134 or 3% during the year

Contacting the District's Financial Management

The District's financial report is designed to provide the District's Board of Directors, management, and public with an overview of the District's finances. For additional information about this report, please contact Elisabeth Ross, Finance Manager, at 370 Encinal Street, Suite 100, Santa Cruz, CA 95060

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
STATEMENTS OF NET ASSETS
JUNE 30, 2006 AND 2005**

| | 2006 | 2005 |
|---------------------------------|----------------------|----------------------|
| <u>ASSETS</u> | | |
| CURRENT ASSETS | | |
| Cash and Cash Equivalents | \$ 20,258,964 | \$ 19,689,759 |
| Sales Tax and Other Receivables | 6,026,987 | 3,996,933 |
| Inventory | 928,026 | 903,863 |
| Prepays | 555,353 | 155,792 |
| Total Current Assets | 27,769,330 | 24,746,347 |
| RESTRICTED ASSETS | | |
| Cash and Cash Equivalents | 11,629,816 | 9,832,007 |
| PROPERTY AND EQUIPMENT | | |
| Building and Improvements | 10,452,483 | 10,452,483 |
| Revenue Vehicles | 34,649,265 | 34,555,916 |
| Operations Equipment | 2,687,228 | 2,686,565 |
| Other Equipment | 1,285,123 | 1,285,123 |
| Other Vehicles | 898,514 | 829,537 |
| Office Equipment | 1,094,759 | 1,152,497 |
| | 51,067,372 | 50,962,121 |
| Less Accumulated Depreciation | (30,324,213) | (26,845,932) |
| | 20,743,159 | 24,116,189 |
| Construction in Progress | 4,816,956 | 2,753,362 |
| Land | 6,976,423 | 6,976,423 |
| Total Property and Equipment | 32,536,538 | 33,845,974 |
| TOTAL ASSETS | \$ 71,935,684 | \$ 68,424,328 |

The accompanying notes are an integral part of these financial statements

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
STATEMENTS OF NET ASSETS (Continued)
JUNE 30, 2006 AND 2005

| | 2006 | 2005 |
|---|---------------|---------------|
| <u>LIABILITIES AND NET ASSETS</u> | | |
| CURRENT LIABILITIES | | |
| Accounts Payable and Accrued Liabilities | \$ 1,449,500 | \$ 643,186 |
| Accrued Payroll and Employee Benefits | 3,351,093 | 2,994,662 |
| Workers' Compensation Liabilities | 1,378,844 | 1,228,191 |
| Other Accrued Liabilities | 466,558 | 465,252 |
| Security Deposit | 16,684 | 17,684 |
| Deferred Revenue | 189,500 | 241,170 |
| | 6,852,179 | 5,590,145 |
| Total Current Liabilities | | |
| LIABILITIES PAYABLE FROM RESTRICTED ASSETS | | |
| Deferred Revenue - Settlement Agreement | 7,321,289 | 6,998,304 |
| Deferred Revenue - STA Grant | 4,308,527 | 2,833,703 |
| LONG-TERM LIABILITIES | | |
| Workers' Compensation Liabilities | 5,669,969 | 5,194,745 |
| | 24,151,964 | 20,616,897 |
| Total Liabilities | | |
| NET ASSETS | | |
| Invested in Capital Assets, Net of Related Debt | 32,536,538 | 33,845,974 |
| Unrestricted Net Assets | 15,247,182 | 13,961,457 |
| | 47,783,720 | 47,807,431 |
| Total Net Assets | | |
| TOTAL LIABILITIES AND NET ASSETS | \$ 71,935,684 | \$ 68,424,328 |

The accompanying notes are an integral part of these financial statements

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005**

| | <u>2006</u> | <u>2005</u> |
|--|----------------------|----------------------|
| OPERATING REVENUES | | |
| Passenger Fare | \$ 3,837,280 | \$ 4,465,736 |
| Special Transit Fare | 2,446,310 | 2,655,133 |
| Total Operating Revenues | <u>6,283,590</u> | <u>7,120,869</u> |
| OPERATING EXPENSES | | |
| Wages, Salaries and Employee Benefits | 24,659,059 | 23,853,713 |
| Purchased Transportation Services | 142,892 | 977,899 |
| Material and Supplies | 2,954,093 | 2,696,571 |
| Other Expenses | 3,490,530 | 3,492,180 |
| Depreciation | 3,775,017 | 3,973,808 |
| Total Operating Expenses | <u>35,021,591</u> | <u>34,994,171</u> |
| Net Operating Loss | <u>(28,738,001)</u> | <u>(27,873,302)</u> |
| NON-OPERATING REVENUES (EXPENSES) | | |
| Sales and Use Tax | 16,583,132 | 15,848,098 |
| Transportation Development Act Assistance | 5,740,612 | 5,413,251 |
| Section 9/5307 Operating Assistance | 3,021,556 | 3,110,731 |
| Section 18/5307 Operating Assistance | 65,475 | 92,928 |
| Interest Income | 1,035,565 | 472,279 |
| Rental Income | 181,806 | 159,238 |
| Other Revenue | 431,714 | 78,192 |
| Loss on Sale and Disposal of Property, Equipment, and Inventory | <u>(531)</u> | <u>(216,192)</u> |
| Total Non-Operating Revenues | <u>27,059,329</u> | <u>24,958,525</u> |
| Net Loss Before Capital Contributions | <u>(1,678,672)</u> | <u>(2,914,777)</u> |
| CAPITAL CONTRIBUTIONS | | |
| Grants Restricted for Capital Expenditures | <u>1,654,961</u> | <u>4,176,558</u> |
| NET ASSETS | | |
| Increase in Net Assets | (23,711) | 1,261,781 |
| Total Net Assets, Beginning of Year | <u>47,807,431</u> | <u>46,545,650</u> |
| Total Net Assets, End of Year | <u>\$ 47,783,720</u> | <u>\$ 47,807,431</u> |

The accompanying notes are an integral part of these financial statements.

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005**

| | 2006 | 2005 |
|---|------------------------|------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts From Customers | \$ 6,354,890 | \$ 7,059,543 |
| Payments to Employees | (23,676,751) | (23,249,767) |
| Payments to Suppliers | (6,202,746) | (7,287,745) |
| | <u>(23,524,607)</u> | <u>(23,477,969)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| Operating Grants Received, Including Sales and Use Tax | 23,986,692 | 24,457,042 |
| Other Nonoperating | 423,927 | (137,222) |
| | <u>24,410,619</u> | <u>24,319,820</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Proceeds From Sale of Property and Equipment | 1,553 | 74,463 |
| Capital Grants Received | 2,732,391 | 5,166,335 |
| Capital Expenditures | (2,470,313) | (5,833,032) |
| | <u>263,631</u> | <u>(592,234)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Investment and Rental Income Received | 1,217,371 | 631,517 |
| | <u>1,217,371</u> | <u>631,517</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 2,367,014 | 881,134 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 29,521,766 | 28,640,632 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | \$ 31,888,780 | \$ 29,521,766 |
| RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES | | |
| Operating Loss | \$ (28,738,001) | \$ (27,873,302) |
| Adjustments to Reconcile Net Operating Loss to Net Cash Used in Operating Activities: | | |
| (Gain) Loss on Sale / Disposal of Fixed Assets and Inventory | 3,179 | 216,192 |
| Depreciation | 3,775,017 | 3,973,808 |
| Changes in Assets and Liabilities: | | |
| (Increase) Decrease in Receivables | 71,300 | (61,326) |
| (Increase) in Inventory | (24,163) | (79,607) |
| (Increase) Decrease in Prepaid Expenses | (399,561) | 15,678 |
| Increase (Decrease) in Accounts Payable | 806,314 | (273,678) |
| Increase in Other Liabilities | 981,308 | 604,266 |
| | <u>981,308</u> | <u>604,266</u> |
| Net Cash Used in Operating Activities | \$ (23,524,607) | \$ (23,477,969) |

The accompanying notes are an integral part of these financial statements

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005**

NOTE 1 – OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Organization

The Santa Cruz Metropolitan Transit District (the District) was formed February 9, 1969, following a favorable election in conformity with Section 9800 *et seq* of the Public Utilities Code. The transit system serves the general public in the cities of Santa Cruz, Watsonville, Scotts Valley, Capitola and the unincorporated areas of Santa Cruz County. The District is governed by a Board of eleven directors, and one Ex-Officio director representing the University of California, Santa Cruz. At June 30, 2006, the directors were as follows:

| | | | |
|--------------|-------------------|-----------------|-------------|
| Chairperson: | Mike Rotkin | | |
| Vice Chair: | Marcela Tavantzis | | |
| Members: | Dale Skillicorn | Michelle Hinkle | Mark Stone |
| | Jan Beautz | Emily Reilly | Pat Spence |
| | Dene Bustichi | Mike Keogh | Kirby Nicol |
| Ex-Officio: | Wes Scott | | |

The District also serves the Highway 17 corridor into Santa Clara County to provide commuter express service through a joint powers agreement with the Santa Clara County Transit District (known as Valley Transportation Authority (VTA)). Amtrak Thruway bus service is also provided by the District on the same corridor through a memorandum of understanding with the California Department of Transportation, the Capitol Corridor Joint Powers Authority and VTA.

B. Reporting Entity

The District and the Santa Cruz Civic Improvement Corporation (the Corporation) have a financial and operational relationship, which meets the reporting entity definition criteria of GASB Statement No. 14, as amended by GASB Statement No. 39, *The Financial Reporting Entity*, for inclusion of the Corporation as a component unit of the District. Accordingly, the financial activities of the Corporation have been included in the financial statements of the District. For the years ending June 30, 2006 and 2005, this activity was minimal.

Scope of Public Service:

The Corporation is a nonprofit, public benefit corporation incorporated under the laws of the State of California and recorded by the Secretary of State in July 1986. The Corporation was formed for the sole purpose of providing financial assistance to the District for the construction and acquisition of major capital facilities.

The following are those aspects of the relationship between the District and the Corporation, which satisfy GASB Statement No. 14/39 criteria:

Accountability:

1. The Corporation's Board of Directors was appointed by the District's Board of Directors.

NOTE 1 – OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B Reporting Entity (Continued)

2. The District is able to impose its will upon the Corporation, based on the following:
 - All major financing arrangements, contracts, and other transactions of the Corporation must have the consent of the District.
 - The District exercises significant influence over operations of the Corporation as it is anticipated that the District will be the sole lessee of all facilities owned by the Corporation. Likewise, it is anticipated that the District's lease payments will be the sole revenue source of the Corporation.
3. The Corporation provides specific financial benefits or imposes specific financial burdens on the District based upon the following:
 - The District has assumed a "moral obligation", and potentially a legal obligation, for any debt incurred by the Corporation.

C Basis of Accounting and Presentation

The District is accounted for as a Business Type Activity, as defined by Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion & Analysis – for State and Local Governments* and its financial statements are presented on the accrual basis of accounting. Under this method, revenues are recognized when they are earned, and expenses are recognized when they are incurred.

The District adopted GASB Statement No. 34 as amended by GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*, as of and for the year ended June 30, 2003, and applied those standards on a retroactive basis. GASB Statement No. 34 establishes standards for external financial reporting for state and local governments and requires that resources be classified for accounting and reporting purposes into three net asset categories; namely, those invested in capital assets, net of related debt, restricted net assets and unrestricted net assets.

Contributed Capital/Reserved Retained Earnings:

The District receives grants from the Federal Transit Administration (FTA) and other agencies of the U.S. Department of Transportation, state, and local transportation funds for the acquisition of transit-related equipment and improvements. Prior to July 1, 2001, capital grants were recognized as donated capital to the extent that project costs under the grant have been incurred. Capital grant funds earned, less amortization equal to accumulated depreciation of the related assets, were included in contributed capital. As required by GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the District changed its method of accounting for capital grants from capital contributions to reserved nonoperating revenues. In accordance with GASB No. 33, capital grants are required to be included in the determination of net income resulting in an increase in net revenue of \$1,654,961 and \$4,176,558 for the fiscal years 2006 and 2005, respectively.

Under GASB Statement No. 34, contributed capital and reserved retained earnings are presented in the net asset section as invested in capital assets, net of related debt.

Retained Earnings:

Retained earnings which represented the residual value of operations and capital assets constructed with funds other than grants, were restated to reclassify the capital assets to invested in capital assets, net of related debt and the remaining assets resulting from operations as either restricted or unrestricted net assets.

NOTE 1 – OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C Basis of Accounting and Presentation (Continued)

Proprietary Accounting and Financial Reporting:

As required under GASB Statement No 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the District will continue to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements. The District has elected under GASB Statement No 20 to not apply all FASB Statements and Interpretations issued after November 30, 1989, due to the governmental nature of the District's operations

Net Assets:

Net assets represent the residual interest in the District's assets after liabilities are deducted. In accordance with GASB Statement No 34, the Fund Equity section on the Statement of Net Assets was combined to report total net assets and present it in three broad components: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets invested in capital assets, net of related debt include capital assets net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. Net assets are restricted when constraints are imposed by third parties or by law through constitutional provisions or enabling legislation. All other net assets are unrestricted.

When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

D Cash and Cash Equivalents

The District considers all highly liquid investments with a maturity date within three months of the date acquired to be cash equivalents. The District deposits funds into an external investment pool maintained by the County of Santa Cruz. These deposits are considered cash equivalents. The County of Santa Cruz Pooled Investment Fund is authorized to invest in obligations of the U.S. Treasury agencies and instrumentalities, commercial paper rated A-1 by Standard and Poor's Corporation or P-1 by Moody's Commercial Paper Record, banker's acceptances, repurchase agreements, and the State Treasurer's investment pool. Cash and cash equivalents are stated at fair value. For purposes of the statement of cash flows, the District considers all highly liquid investments (including restricted assets) to be cash equivalents.

E. Inventory

Inventory is carried at cost using the first-in/first-out (FIFO) method. Inventory held by the District consists of spare bus parts that are consumed by the District and are not for resale purposes.

F Restricted Assets

Certain assets are classified as restricted assets on the Statement of Net Assets because their use is subject to externally imposed stipulations, either by laws or regulations.

NOTE 1 – OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F Restricted Assets (Continued)

The cash resulting from a settlement agreement as described in Note 9, represents proceeds restricted by the Federal Transit Administration. The State Transit Assistance grant is restricted for capital expenditures. Restricted assets at June 30, are as follows:

| | <u>2006</u> | <u>2005</u> |
|--------------------------------------|----------------------|---------------------|
| Cash and Cash Equivalents | | |
| Federal Transit Administration Grant | \$ 7,321,289 | \$ 6,998,304 |
| State Transit Assistance Grant | <u>4,308,527</u> | <u>2,833,703</u> |
| Total Restricted Assets | <u>\$ 11,629,816</u> | <u>\$ 9,832,007</u> |

G Property and Equipment

Property and equipment are recorded at cost. Depreciation for all such assets is computed on a straight-line basis. Estimated useful lives of assets are as follows:

| | |
|------------------------------|-------------|
| Buildings and structures | 20-30 years |
| Revenue vehicles | 12 years |
| Other vehicles and equipment | 3-10 years |

Depreciation expense on assets acquired with capital grant funds are transferred to net assets - invested in capital assets, net of related debt after being charged to operations.

Major improvements and betterments to existing facilities and equipment are capitalized. Costs for maintenance and repairs which do not extend the useful life of the applicable assets are charged to expense as incurred. Upon disposition, costs and accumulated depreciation are removed from the accounts and resulting gains or losses are included in operations.

The District completed and capitalized the Scotts Valley Transit Center in fiscal 1999. The cost of this facility totaled \$4,063,634, which was funded by federal, state and local funds. The Scotts Valley Redevelopment Agency (the Agency), a political subdivision of the state of California, was one of the District's funding sources for this project and has retained an interest in the property. The title to the property is retained by both the District and the Agency as tenants in common with each party holding an individual interest in proportion to each party's financial participation in the project. The Agency's portion of the property is 13.87%. The Agency's portion is not recorded in the District's financial statements.

H. Sales and Use Tax

The District receives a .5% sales and use tax levied on all taxable sales in Santa Cruz County, which is collected and administered by the California State Board of Equalization. Additionally, the District is allocated, through the Santa Cruz County Regional Transportation Commission, a portion of the 25% sales and use tax levied by the Transportation Development Act.

I Operating Assistance Grants

Operating assistance grants are recognized as revenue in the grant period earned.

NOTE 1 – OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J Self-Insurance

The District is self-insured for the first \$250,000 of general and vehicular liability. For settlements in excess of \$250,000, the District has total coverage up to \$20,000,000 per occurrence. Additionally, the District is self insured up to \$350,000 for workers' compensation claims. The District has recorded a liability for estimated claims to be paid including incurred but not reported claims.

K Employee Benefits

Vacation and medical leave benefits are accrued when earned and reduced when used. Any paid medical leave accrued beyond 96 hours may, at the employee's option be converted to annual leave and credited to the employee's annual leave schedule or paid in cash, depending on the bargaining unit, at 100% of the earned rate. Employees are paid accrued and unused annual leave at the time of separation from District service.

L Payroll

The District contracts with the Santa Cruz County Auditor-Controller to provide payroll processing services.

M Pension Costs

Pension costs are expensed as incurred. These costs equal the actuarially determined annual contribution amount.

N Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – CASH AND INVESTMENTS

Cash and cash equivalents consists of the following at June 30, 2006 and 2005:

| | <u>2006</u> | <u>2005</u> |
|--|----------------------|----------------------|
| Cash on Hand | \$ 44,331 | \$ 47,558 |
| Demand Deposits | 961,462 | 373,950 |
| Deposits in Santa Cruz County Pooled Investment Fund | <u>30,882,987</u> | <u>29,100,258</u> |
| | <u>\$ 31,888,780</u> | <u>\$ 29,521,766</u> |

NOTE 2 – CASH AND INVESTMENTS (Continued)

Cash on Hand and Cash in Banks

Investments Authorized by the California Government Code and the District’s Investment Policy

The table below identifies the **investment types** that are authorized for the District by the California Government Code (or the District’s investment policy, where more restrictive) The table also identifies certain provisions of the California Government Code (or the District’s investment policy, where more restrictive) that address **interest rate risk**, **credit risk**, and **concentration of credit risk**

| <u>Authorized Investment Type</u> | <u>Maximum Maturity</u> | <u>Maximum Percentage Of Portfolio</u> | <u>Maximum Investment in One Issuer</u> |
|-------------------------------------|-------------------------|--|---|
| Local Agency Bonds | 5 years | None | None |
| U S Treasury Obligations | 5 years | None | None |
| U S Agency Securities | 5 years | None | None |
| Banker’s Acceptances | 180 days | None | None |
| Commercial Paper | 270 days | None | None |
| Negotiable Certificates of Deposit | 5 years | None | None |
| Repurchase Agreements | 1 year | None | None |
| Reverse Repurchase Agreements | 92 days | None | None |
| Medium-Term Notes | 5 years | None | None |
| Mutual Funds | N/A | None | None |
| Money Market Mutual Funds | N/A | None | None |
| Mortgage Pass-Through Securities | 5 years | None | None |
| County Pooled Investment Funds | N/A | 100% | None |
| Local Agency Investment Fund (LAIF) | N/A | None | None |

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the District’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District’s investments by maturity:

| <u>Investment Type</u> | <u>Amount</u> | <u>Remaining Maturity (in Months)</u> | | | |
|------------------------|---------------|---------------------------------------|------------------------|------------------------|----------------------------|
| | | <u>12 Months Or Less</u> | <u>13 to 24 Months</u> | <u>25 to 60 Months</u> | <u>More Than 60 Months</u> |
| County Investment Pool | \$ 30,882,987 | \$ 30,882,987 | \$ - | \$ - | \$ - |

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The District’s investments were not considered to be highly sensitive to interest rate fluctuations as of June 30, 2006 or 2005

NOTE 2 – CASH AND INVESTMENTS (Continued)

Cash on Hand and Cash in Banks (Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, and the actual rating as of year end for each investment type. The column marked "exempt from disclosure" identifies those investment types for which GASB No. 40 does not require disclosure as to credit risk:

| Investment Type | Amount | Minimum Legal Rating | Exempt From Disclosure | Rating as of Year End | | |
|------------------------|----------------------|----------------------------|------------------------------|-----------------------|-------------|---------------------|
| | | | | AAA | Aa | Not Rated |
| County Investment Pool | <u>\$ 30,882,987</u> | <u>N/A</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$30,882,987</u> |

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The District did not have any Investments in any one issuer (other than external investment pools) that represent 5% or more of total District's investments at June 30, 2006 or 2005.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

GASB Statement No. 40 requires that the following disclosure be made with respect to custodial credit risks relating to deposits and investments: none of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

Investment in County Investment Pool

The District is a voluntary participant in the Santa Cruz County Investment Fund. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County for the entire County portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County, which are recorded on an amortized cost basis.

NOTE 3 -- RECEIVABLES

Receivables at June 30, are as follows:

| | <u>2006</u> | <u>2005</u> |
|-------------------|---------------------|---------------------|
| Federal Grants | \$ 1,156,558 | \$ 454,387 |
| State Grants | 409,336 | 406,025 |
| Sales Tax Revenue | 2,541,900 | 2,613,200 |
| Other | 1,919,193 | 523,321 |
| | <u>\$ 6,026,987</u> | <u>\$ 3,996,933</u> |

NOTE 4 -- CHANGES IN CAPITAL ASSETS

Facilities, property and equipment at June 30, are summarized as follows:

June 30, 2006

| | <u>Balance July 1, 2005</u> | <u>Additions and Transfers</u> | <u>Retirements and Transfers</u> | <u>Balance June 30, 2006</u> |
|---------------------------------------|---------------------------------|------------------------------------|--------------------------------------|----------------------------------|
| Non Depreciated Assets | | | | |
| Land | \$ 6,976,423 | \$ - | \$ - | \$ 6,976,423 |
| Construction-in-Progress | 2,753,362 | 2,063,594 | - | 4,816,956 |
| Total Non Depreciated Assets | 9,729,785 | 2,063,594 | - | 11,793,379 |
| Depreciated Assets | | | | |
| Building and Improvements | 10,452,483 | - | - | 10,452,483 |
| Revenue Vehicles | 34,555,916 | 93,349 | - | 34,649,265 |
| Operations Equipment | 2,686,565 | 6,657 | (5,994) | 2,687,228 |
| Other Equipment | 1,285,123 | - | - | 1,285,123 |
| Other Vehicles | 829,537 | 68,977 | - | 898,514 |
| Office Equipment | 1,152,497 | 224,541 | (282,279) | 1,094,759 |
| Total Depreciated Assets | 50,962,121 | 393,524 | (288,273) | 51,067,372 |
| Less Accumulated Depreciation | <u>(26,845,932)</u> | <u>(3,775,017)</u> | <u>296,736</u> | <u>(30,324,213)</u> |
| Depreciated Assets Net of Accumulated | 24,116,189 | (3,381,493) | 8,463 | 20,743,159 |
| Total | <u>\$ 33,845,974</u> | <u>\$ (1,317,899)</u> | <u>\$ 8,463</u> | <u>\$ 32,536,538</u> |

Depreciation expense at June 30, 2006 was \$3,775,017.

NOTE 4 – CHANGES IN CAPITAL ASSETS (Continued)

June 30, 2005

| | Balance July 1, 2004 | Additions and Transfers | Retirements and Transfers | Balance June 30, 2005 |
|---------------------------------------|-------------------------|----------------------------|------------------------------|--------------------------|
| Non Depreciated Assets | | | | |
| Land | \$ 3,763,502 | \$ 3,212,921 | \$ - | \$ 6,976,423 |
| Construction-in-Progress | 963,826 | 1,842,766 | (53,230) | 2,753,362 |
| Total Non Depreciated Assets | 4,727,328 | 5,055,687 | (53,230) | 9,729,785 |
| Depreciated Assets | | | | |
| Building and Improvements | 10,414,360 | 60,109 | (21,986) | 10,452,483 |
| Revenue Vehicles | 36,299,525 | 481,951 | (2,225,560) | 34,555,916 |
| Operations Equipment | 2,942,838 | 15,648 | (271,921) | 2,686,565 |
| Other Equipment | 1,279,607 | 5,516 | - | 1,285,123 |
| Other Vehicles | 855,238 | 70,898 | (96,599) | 829,537 |
| Office Equipment | 1,093,534 | 184,049 | (125,086) | 1,152,497 |
| Total Depreciated Assets | 52,885,102 | 818,171 | (2,741,152) | 50,962,121 |
| Less Accumulated Depreciation | (25,335,025) | (3,973,808) | 2,462,901 | (26,845,932) |
| Depreciated Assets Net of Accumulated | 27,550,077 | (3,155,637) | (278,251) | 24,116,189 |
| Total | <u>\$ 32,277,405</u> | <u>\$ 1,900,050</u> | <u>\$ (331,481)</u> | <u>\$ 33,845,974</u> |

Depreciation expense at June 30, 2005 was \$3,973,808.

NOTE 5 – AVAILABLE NET ASSETS

An analysis of the District's available (undesignated) net assets at June 30, follows:

| | 2006 | 2005 |
|--|-----------------------|-----------------------|
| Current Assets | \$ 27,769,330 | \$ 24,746,347 |
| Current Liabilities | (6,852,179) | (5,590,145) |
| Working Capital | 20,917,151 | 19,156,202 |
| Less: | | |
| Inventory | (928,026) | (903,863) |
| Prepaid Expenses | (555,353) | (155,792) |
| Total Available Net Assets | <u>19,433,772</u> | <u>18,096,547</u> |
| Net Assets Designated for the Following: | | |
| Cash Flow | (2,600,000) | (2,600,000) |
| Workers' Compensation Reserve | (2,075,940) | (1,641,128) |
| Insurance Reserve | (947,229) | (804,008) |
| Alternative Fuel Conversion Fund | (462,000) | (462,000) |
| Bus Stop Improvements Reserve | (400,000) | (400,000) |
| Carryover for fiscal year 2006-2007 Operating Budget | (649,817) | (1,296,236) |
| Carryover for Sales Tax-Based UTU Wage Adjustment | (77,697) | - |
| Net Assets Required to Fund Transportation Improvement Programs for the Fiscal Years 2005-2009 | <u>(13,969,000)</u> | <u>(16,331,011)</u> |
| Available Undesignated Net Assets (Deficits) | <u>\$ (1,747,911)</u> | <u>\$ (5,437,836)</u> |

NOTE 6 – CAPITAL GRANTS

The District receives grants from the Federal Transit Administration (FTA), which provides financing for the acquisition of rolling stock and construction of facilities. The District also receives grants under the State Transportation Development Act primarily for the acquisition of rolling stock and support equipment, and purchase of furniture and fixtures.

A summary of federal, state and local grant activity for the years ended June 30, are as follows:

| | <u>2006</u> | <u>2005</u> |
|--------------------------|---------------------|---------------------|
| Federal Grants | \$ 1,650,311 | \$ 4,143,678 |
| State Grants | <u>4,650</u> | <u>32,880</u> |
| Total Capital Assistance | <u>\$ 1,654,961</u> | <u>\$ 4,176,558</u> |

NOTE 7 – COMMITMENTS

The District leases a number of its facilities under operating leases extending through 2010. For the years ended June 30, 2006 and 2005, rental expense relating to the leases was \$737,829 and \$702,530, respectively. The District also leases to others retail space in their transit facilities under noncancelable agreements. Minimum lease payments and receipts for existing operating leases are as follows:

| <u>Year Ending June 30</u> | <u>Lease Commitments</u> | <u>Rental Income</u> | <u>Net</u> |
|--------------------------------|------------------------------|----------------------|---------------------|
| 2007 | \$ 747,768 | \$ 123,433 | \$ 624,335 |
| 2008 | 774,636 | 122,707 | 651,929 |
| 2009 | 307,137 | 112,582 | 194,555 |
| 2010 | 196,297 | 93,755 | 102,542 |
| Thereafter | - | 12,951 | (12,951) |
| | <u>\$ 2,025,838</u> | <u>\$ 465,428</u> | <u>\$ 1,560,410</u> |

NOTE 8 – JOINT VENTURES (Joint Powers Authority)

The District participates in a joint powers authority (JPA), the California Transit Insurance Pool (CalTIP). The relationship between the District and the JPA is such that the JPA is not a component unit of the District for financial reporting purposes.

CalTIP arranges for and provides property and liability insurance for its 25 members. CalTIP is governed by a board that controls the operations of CalTIP, including selection of management and approval of operating budgets, independent of any influence by the member districts. Each member district pays a premium commensurate with the level of coverage requested and shares in surpluses and deficits proportionate to their participation in CalTIP.

NOTE 8 – JOINT VENTURES (Joint Powers Authority) (Continued)

Condensed audited financial information of CalTIP for the years ended April 30, (most recent information available) is as follows:

| | <u>2005</u> | <u>2004</u> |
|------------------------------|---------------------|---------------------|
| Total Assets | \$ 15,047,005 | \$ 11,796,205 |
| Total Liabilities | <u>11,202,232</u> | <u>9,620,106</u> |
| Fund Balance | <u>\$ 3,844,773</u> | <u>\$ 2,176,099</u> |
| Total Revenues | \$ 7,459,957 | \$ 8,329,709 |
| Total Expenditures | <u>5,791,283</u> | <u>7,325,335</u> |
| Net Increase in Fund Balance | <u>\$ 1,668,674</u> | <u>\$ 1,004,374</u> |

The District's share of year-end assets, liabilities, or fund balance has not been calculated by CalTIP

NOTE 9 – WATSONVILLE FLEET MAINTENANCE FACILITY

The District's fleet maintenance facility in Watsonville was damaged in the Loma Prieta earthquake (the earthquake) in October 1989. An engineering study concluded that the demolition of the existing facility and construction of a new facility was the most practical course of action. Therefore, the net book value of the facility was written off the books in a prior year

In addition, due to design and construction deficiencies by the design and building contractors involved in the original project, the District initiated litigation against the contractors and came to a settlement agreement with said contractors on May 30, 1995. In accordance with this agreement, the contractors remitted \$4,776,858 (including \$171,538 in costs) to the District during fiscal year 1996, representing damages less attorney fees. The use of these proceeds, and the interest earned thereon, is restricted by FTA Section 3/5309. Accordingly, the net restricted amount of \$7,321,289 and \$6,998,304 is reflected on the statements of net assets as deferred revenue at June 30, 2006 and 2005, respectively.

NOTE 10 – CONTINGENCIES

The District has received state and federal funds for specific purposes that are subject to review and audit by grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, the District believes that any required reimbursement will not be material.

Additionally, the District is party to various claims and litigation in the normal course of business. In the opinion of management and in-house counsel, any ultimate losses have been adequately provided for in the financial statements.

NOTE 11 – DEFINED BENEFIT PENSION PLAN

Plan Description

The District's defined benefit pension plan, the Miscellaneous Plan for Santa Cruz Metropolitan Transit District (the Plan), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Plan is part of the Public Agency portion of the California Public Employees' Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers with the State of California. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employees' Retirement Law. The District selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through Board action. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

Funding Policy

There are 321 active plan members in the Fund as of June 30, 2006, which are required to contribute a percent of their annual covered salary. In lieu of salary increases and for employees who agreed to salary reductions in certain prior years, the District agreed to pay a portion of the employee contribution, based on negotiated formulas. The District is also required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the fiscal year ended June 30, 2006 was 12.95%. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Annual Pension Cost

For fiscal year ended June 30, 2006, the District's annual pension cost of \$1,800,967 was equal to the District's required and actual contributions. This includes the District's contribution to the employee contribution requirement. The required contribution for fiscal year ended June 30, 2006 was determined as part of the June 30, 2004 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 7.75% investment rate of return (net of administration expenses); (b) projected salary increases that vary by duration of service ranging from 3.25% to 14.45% for miscellaneous members, and (c) 3.25% cost-of-living adjustment. Both (a) and (b) include an inflation component of 3.0%. The actuarial value of the Plan's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a three year period. The Plan's excess assets are being amortized as a level percentage of projected payroll on a closed basis.

Three-Year Trend Information for the Fund

Three-year trend information, with respect to the District's participation in CalPERS is as follows:

| <u>Fiscal Year Ending</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|-------------------------------|--------------------------------------|--|-----------------------------------|
| 6/30/2004 | \$ 1,024,064 | 100% | \$ - |
| 6/30/2005 | \$ 1,392,098 | 100% | \$ - |
| 6/30/2006 | \$ 1,800,967 | 100% | \$ - |

NOTE 11 – DEFINED BENEFIT PENSION PLAN (Continued)

Required Supplementary Information

Supplementary information is intended to show the progress made towards funding benefit obligations. Required three year supplemental information, available to date, for the District is as follows:

| Valuation Date | Entry Age Normal Accrued Liability | Actuarial Value of Assets | Unfunded/ (Overfunded) Liability | Funded Ratio | Annual Covered Payroll | UAAL as a % of Payroll |
|----------------|------------------------------------|---------------------------|----------------------------------|--------------|------------------------|------------------------|
| 6/30/2002 | \$ 50,823,042 | \$54,728,235 | \$ (3,905,193) | 107.70% | \$13,697,134 | (28.5%) |
| 6/30/2003 | \$ 60,913,062 | \$56,208,723 | \$ 4,704,339 | 92.3% | \$13,332,537 | 35.3% |
| 6/30/2004 | \$ 66,923,612 | \$59,816,757 | \$ 7,106,855 | 89.4% | \$14,011,732 | 50.7% |

NOTE 12 – POST-RETIREMENT BENEFITS

The District provides post-retirement benefits to its employees who have completed at least ten years of full-time service with the District, have reached the age of 50 and have retired under the provisions of CalPERS while an employee of the District. The District pays a portion of the premiums for medical insurance for retirees and eligible dependents. The District also provides dental, vision and life insurance plan coverage of retirees and eligible dependents until the retiree attains the age of 65. Bus operators who retired and reached the age of 65 prior to June 30, 1994, will continue to receive dental and vision coverage beyond age 65. Life insurance is not provided to management retirees who retired prior to July 1, 2005. The costs of providing these benefits are recognized when paid. The District has recognized approximately \$1,100,476 and \$925,740 of expense for these benefits for the years ending June 30, 2006 and 2005, respectively.

NOTE 13 – DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 and provisions of the Government Code of the State of California. The plan, available to all district employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, or unforeseeable emergency. The District employees participate in two such plans, the Great-West Life and Annuity Insurance (Great-West) plan and the other through CalPERS.

At June 30, 2006, all amounts held under the Great-West plan and the CalPERS plan are held in trust and are not reflected on the accompanying balance sheet as required under Statement No. 27 of the Governmental Accounting Standards Board, *Accounting Standards for Pensions by State and Local Governmental Employers*.

NOTE 14 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District has established limited risk management programs for workers' compensation, and general and vehicular liability, as described in Note 1, as well.

NOTE 14 – RISK MANAGEMENT (Continued)

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The IBNR for workers' compensation was based on an actuarial study dated June 28, 2004. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Changes in the balances of claims liabilities are as follows:

| | <u>2006</u> | <u>2005</u> |
|---|---------------------|---------------------|
| Unpaid Claims, Beginning of Fiscal Year | \$ 6,422,936 | \$ 5,822,739 |
| Incurred Claims (Including IBNR's) | 475,224 | 784,970 |
| Claim Payments | <u>150,653</u> | <u>(184,773)</u> |
| Unpaid Claims, End of Fiscal Year | <u>\$ 7,048,813</u> | <u>\$ 6,422,936</u> |

NOTE 15 – TRANSPORTATION DEVELOPMENT ACT/CALIFORNIA ADMINISTRATIVE CODE

The District is subject to compliance with the Transportation Development Act provisions, Sections 6634 and 6637 of the California Administrative Code and Sections 99267, 99268.1 and 99314.6 of the Public Utilities Code.

Section 6634

Pursuant to Section 6634, a Transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant's capital and operating costs, less the required fares, and local support. The District did not receive Transportation Development Act or State Transit Assistance revenues in excess of the prescribed formula amounts.

Section 6637

Pursuant to Section 6637, a claimant must maintain its accounts and records in accordance with the Uniform System of Accounts and Records for Transit Operators adopted by the State Controller. The District did maintain its accounts and records in accordance with the Uniform System of Accounts and Records for Transit Operators.

Sections 99267 and 99268.1

Pursuant to the Transportation Development Act, the District is defined as an older operator and is not required to meet the fare box ratio requirement of the Act. The District has met the 50% expenditure limitation requirement.

NOTE 16 – SUBSEQUENT EVENT

On September 7, 2006, the District sold property at 25 Sakata Lane in Watsonville, California to Don Houpt with net proceeds of \$2,974,520. The proceeds from the sale will be applied to the construction of the MetroBase facility.

SUPPLEMENTARY INFORMATION

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
STATEMENTS OF OPERATING EXPENSES
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005**

| | 2006 | 2005 |
|---|---------------|---------------|
| Labor | | |
| Operators' salaries and wages | \$ 6,453,163 | \$ 6,692,531 |
| Other salaries and wages | 4,979,939 | 5,481,662 |
| Overtime | 1,792,415 | 1,422,856 |
| Fringe Benefits | | |
| Absence with pay | 3,152,479 | 2,708,466 |
| Pension plans | 1,800,967 | 1,392,098 |
| Vision, medical, and dental plans | 4,376,694 | 3,861,507 |
| Workers' compensation insurance | 1,587,745 | 1,768,897 |
| Disability insurance | 353,466 | 386,017 |
| Other fringe benefits | 162,191 | 139,679 |
| Services | | |
| Accounting | 54,869 | 84,285 |
| Administrative and banking | 204,987 | 209,743 |
| Professional and technical services | 461,007 | 419,642 |
| Security | 435,724 | 357,997 |
| Outside repairs | 304,913 | 390,684 |
| Other services | 141,049 | 191,618 |
| Materials and Supplies Consumed | | |
| Fuels and lubricants | 1,923,832 | 1,719,807 |
| Tires and tubes | 159,324 | 194,318 |
| Vehicle parts | 547,291 | 428,117 |
| Other materials and supplies | 323,646 | 354,329 |
| Utilities | 321,561 | 316,170 |
| Casualty and Liability Costs | 665,125 | 680,760 |
| Taxes and Licenses | 36,287 | 36,758 |
| Purchased Transportation Services | | |
| Paratransit | 142,892 | 977,899 |
| Miscellaneous Expenses | 87,568 | 84,480 |
| Equipment and Facility Lease | 777,440 | 720,043 |
| Depreciation | | |
| Property acquired with operator funds | 653,897 | 657,671 |
| Property acquired by federal, state, or TDA funds | 3,121,120 | 3,316,137 |
| Total Operating Expenses | \$ 35,021,591 | \$ 34,994,171 |

OTHER SCHEDULES AND REPORTS

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2006**

| <u>Federal Grantor / Program Title</u> | <u>Federal CFDA No.</u> | <u>Pass-Through Grantor's Number</u> | <u>Total Federal Expenditures</u> |
|---|-----------------------------|--|---|
| U S. DEPARTMENT OF TRANSPORTATION | | | |
| Direct Programs: | | | |
| Federal Transit Administration (FTA) | | | |
| Cluster Defined by the Department of Transportation | | | |
| Section 3/5309 Consolidation | | | |
| Final Engineering | 20 500* | CA-03-0413 | \$ 211,518 |
| Land Acquisition | 20 500* | CA-03-0413 | 49,621 |
| Construction | 20 500* | CA-03-0505 | 1,380,697 |
| Fixed Route Buses | 20 500* | CA-03-0505 | <u>8,475</u> |
| | | | <u>1,650,311</u> |
| Section 9/5307 | | | |
| Operating Assistance ParaCruz | 20 507* | CA-90-Y285 | 63,820 |
| Operating Assistance | 20 507* | CA-90-Y375 | <u>3,021,556</u> |
| | | | <u>3,085,376</u> |
| Section 18/5311 | | | |
| Operating Assistance | 20 509 | 649068 | <u>65,475</u> |
| Total Expenditures of Federal Awards | | | <u><u>\$ 4,801,162</u></u> |

* Major federal financial assistance program

See accompanying notes to schedule of federal financial assistance

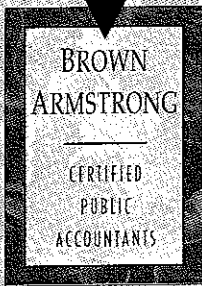
**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2006**

NOTE 1 – GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Santa Cruz Metropolitan Transit District (the District). Federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other governmental agents, is included on the schedule.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Federal capital grant funds are used to purchase property, plant, and equipment. Federal grants receivable are included in capital and operating grants receivable, which also includes receivables from state and local grant sources.



BROWN ARMSTRONG
PAULDEN McCOWN STARBUCK THORNBURGH & KEETER
CERTIFIED PUBLIC ACCOUNTANTS

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS AND THE RULES AND
REGULATIONS OF THE TRANSPORTATION DEVELOPMENT ACT**

Lynn R Krausse, CPA, MST
Bradley M Hankins, CPA
Rosalba Flores, CPA
Connie M Perez, CPA
M Sharon Jones, CPA, MST
Diana H Branthoover, CPA
Matthew R Gilligan, CPA
Michael C Olivares, CPA
Hanna J Sheppard, CPA
Ryan S Johnson, CPA

To the Board of Directors
Santa Cruz Metropolitan Transit District
Santa Cruz, California

We have audited the financial statements of the business-type activities of Santa Cruz Metropolitan Transit District as of and for the year ended June 30, 2006, which collectively comprise Santa Cruz Metropolitan Transit District's basic financial statements and have issued our report thereon dated October 26, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Santa Cruz Metropolitan Transit District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving internal control over financial reporting that we have reported to management of Santa Cruz Metropolitan Transit District in a separate letter dated October 26, 2006.

Compliance and Other Matters

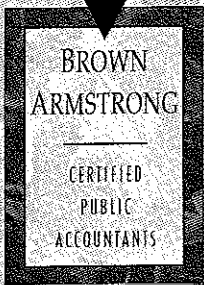
As part of obtaining reasonable assurance about whether the Santa Cruz Metropolitan Transit District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

BROWN ARMSTRONG PAULDEN
McCOWN STARBUCK THORNBURGH & KEETER
ACCOUNTANCY CORPORATION

A handwritten signature in black ink, appearing to be "A. P. Paulden", written in a cursive style.

Bakersfield, California
October 26, 2006



BROWN ARMSTRONG
PAULDEN McCOWN STARBUCK THORNBURGH & KEETER
 CERTIFIED PUBLIC ACCOUNTANTS

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
 TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
 COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors
 Santa Cruz Metropolitan Transit District
 Santa Cruz, California

-
- Lynn R Krausse, CPA, MSI
 - Bradley M Hankins, CPA
 - Rosalva Flores, CPA
 - Connie M Perez, CPA
 - M Sharon Jones, CPA, MSI
 - Diana H Branthoover, CPA
 - Matthew R Gilligan, CPA
 - Michael C Olivares, CPA
 - Hanna J Sheppard, CPA
 - Ryan S. Johnson, CPA

Compliance

We have audited the compliance of Santa Cruz Metropolitan Transit District with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 2006. Santa Cruz Metropolitan Transit District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Santa Cruz Metropolitan Transit District's management. Our responsibility is to express an opinion on Santa Cruz Metropolitan Transit District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Santa Cruz Metropolitan Transit District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Santa Cruz Metropolitan Transit District's compliance with those requirements.

In our opinion, the Santa Cruz Metropolitan Transit District complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2006.

Internal Control Over Compliance

The management of Santa Cruz Metropolitan Transit District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Santa Cruz Metropolitan Transit District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

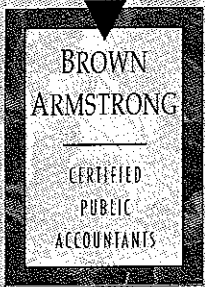
Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the Board of Directors, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

BROWN ARMSTRONG PAULDEN
McCOWN STARBUCK THORNBURGH & KEETER
ACCOUNTANCY CORPORATION



Bakersfield, California
October 26, 2006



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**REPORT ON COMPLIANCE WITH THE
TRANSPORTATION DEVELOPMENT ACT**

To the Board of Directors
Santa Cruz Metropolitan Transit District
Santa Cruz, California

Lynn R Krausse, CPA, MSI
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Matthew R Gilligan, CPA
Michael C Olivares, CPA
Hanna J Sheppard, CPA
Ryan S Johnson, CPA

We have audited the basic financial statements of the Santa Cruz Metropolitan Transit District (the District), as of and for the year ended June 30, 2006, and have issued our report thereon dated October 26, 2006

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement

Compliance with laws, regulations, contracts and grants applicable to the District is the responsibility of the management of the District. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of the Transportation Development Act, including Public Utilities Code Section 99245 as enacted and amended by statute through June 30, 2006, and the allocation instructions and resolutions of the Santa Cruz County Regional Transportation Commission as required by Section 6667 of the California Code of Regulations. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicated that, with respect to the items tested, the District complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the District had not complied, in all material respects, with those provisions.

This report is intended for the information of management, the Board of Directors, the State Controller's Office, the U.S. Department of Transportation, and officials of applicable grantor agencies. However, this report is a matter of public record and its distribution is not limited.

BROWN ARMSTRONG PAULDEN
McCOWN STARBUCK THORNBURGH & KEETER
ACCOUNTANCY CORPORATION

Bakersfield, California
October 26, 2006

FINDINGS AND QUESTIONED COSTS SECTION

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2006**

I. Summary of Auditor's Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness identified? Yes No

Reportable conditions identified that are not considered
to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

Material weakness identified? Yes No

Reportable conditions identified that are not considered
to be material weaknesses? Yes None reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in
accordance with Circular A-133, Section 510(a)? Yes No

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Clusters</u> |
|-----------------------|--|
| 20 500 | Federal Transit Administration-Section 3 |
| 20 507 | Federal Transit Administration-Section 9 |

Dollar threshold used to distinguish Type A & B programs: \$300,000

Auditee qualified as low risk auditee? Yes No

II. Findings Relating to Financial Statements Required Under GAGAS

None

III. Federal Award Findings and Questioned Costs

None

IV. State Award Findings and Questioned Costs

None.

V. A Summary of Prior Audit (all June 30, 2005) Findings and Current Year Status Follows

None

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**Request for Proposals (RFP)
For Financial Audit and Tax Services**

District RFP NO. 06-20

ATTACHMENT B

**Santa Cruz Civic Improvement Corporation
Federal and State Tax Returns**



California Exempt Organization Annual Information Return

For calendar or fiscal year beginning month 07 day 01 year 2005, and ending month 06 day 30 year 2006

IMPORTANT: Your number is required.

California corporation number 77-0125662 Federal employer identification number (FEIN) 77-0125662

Corporation/Organization name Santa Cruz Civic Improvement Corp

Address 370 Encinal Street #100 PMB no

City State ZIP Code Santa Cruz, CA 95060

A Final return? Check applicable box. B Check forms filed this year. C If organization is exempt under R&TC Section 23701d. D Is this a group filing? E Accounting method used Accrual. F Type of organization Exempt under Section 23701 d

Part I Complete Part I unless not required to file this form. See General Instructions B and C.

Table with 14 rows for Receipts and Revenues, Expenses, and Filing Fee. Includes line numbers 1-14 and corresponding amounts.

15 If exempt under R&TC Section 23701d, has the organization during the year: (1) participated in any political campaign... 16 Did the organization have any changes in its activities... 17 Is the organization exempt under R&TC Section 23701g? 18 Did the organization file Form 100, Form 100S, 100W, or Form 109 to report taxable income? 19 The financial records are in care of The Corporation located at 370 Encinal Street, Santa Cruz, CA 95060

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true correct and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. Signature of officer Steven R. Starbuck Date 11/7/02 Title Daytime telephone 831-426-6080 Paid preparer's signature Steven R. Starbuck Date 11/7/02 Check if self-employed Paid preparer's SSN or PTIN P00542667 Firm's name (or yours, if self-employed) and address Brown Armstrong Accountancy Corporation 4200 Truxtun Avenue Ste. 300 Bakersfield, CA 93309 Daytime telephone (661) 324-4971

Part II Organizations with gross receipts of more than \$25,000 and private foundations regardless of amount of gross receipts – complete Part II or furnish substitute information. See Specific Line Instructions.

| | | | | |
|------------------------------------|----|---|----|------|
| Receipts from Other Sources | 1 | Gross sales or receipts from all business activities See instructions | 1 | |
| | 2 | Interest | 2 | |
| | 3 | Dividends | 3 | |
| | 4 | Gross rents | 4 | |
| | 5 | Gross royalties | 5 | |
| | 6 | Gross amount received from sale of assets | 6 | |
| | 7 | Other income Attach schedule | 7 | |
| | 8 | Total gross sales or receipts from other sources. Add line 1 through line 7 Enter here and on Side 1, Part I, line 1. | 8 | |
| Expenses and Disbursements | 9 | Contributions, gifts, grants, and similar amounts paid Attach schedule | 9 | |
| | 10 | Disbursements to or for members | 10 | |
| | 11 | Compensation of officers, directors, and trustees Attach schedule See Statement 1 | 11 | 0. |
| | 12 | Other salaries and wages | 12 | |
| | 13 | Interest | 13 | |
| | 14 | Taxes | 14 | |
| | 15 | Rents | 15 | |
| | 16 | Depreciation and depletion | 16 | |
| | 17 | Other Attach schedule See Statement 2 | 17 | 500. |
| | 18 | Total expenses and disbursements. Add line 9 through line 17. Enter here and on Side 1, Part I, line 9. | 18 | 500. |

| Schedule L Balance Sheets | Beginning of taxable year | | End of taxable year | |
|---|---------------------------|-----------|---------------------|-----------|
| | (a) | (b) | (c) | (d) |
| Assets | | | | |
| 1 Cash | | | | |
| 2 Net accounts receivable | | | | |
| 3 Net notes receivable Attach schedule | | | | |
| 4 Inventories | | | | |
| 5 Federal and state government obligations | | | | |
| 6 Investments in other bonds Attach schedule | | | | |
| 7 Investments in stock Attach schedule | | | | |
| 8 Mortgage loans (number of loans _____) | | | | |
| 9 Other investments Attach schedule | | | | |
| 10a Depreciable assets | | | | |
| b Less accumulated depreciation | | | | |
| 11 Land | | | | |
| 12 Other assets Attach schedule | | | | |
| 13 Total assets | | | | |
| Liabilities and net worth | | | | |
| 14 Accounts payable | | | | |
| 15 Contributions, gifts, or grants payable | | | | |
| 16 Bonds and notes payable Attach schedule | | | | |
| 17 Mortgages payable | | | | |
| 18 Other liabilities Attach schedule | | | | |
| 19 Capital stock or principle fund | | | | |
| 20 Paid-in or capital surplus Attach reconciliation | | 190,937. | | 200,437. |
| 21 Retained earnings or income fund | | -190,937. | | -200,437. |
| 22 Total liabilities and net worth | | | | |

Schedule M-1 Reconciliation of income per books with income per return

Do not complete this schedule if the amount on Schedule L, line 13, column (d), is less than \$25,000

| | | | |
|---|--|----|---|
| 1 | Net income per books | 7 | Income recorded on books this year not included in this return Attach schedule |
| 2 | Federal income tax | 8 | Deductions in this return not charged against book income this year Attach schedule |
| 3 | Excess of capital losses over capital gains | 9 | Total Add line 7 and line 8 |
| 4 | Income not recorded on books this year Attach schedule | 10 | Net income per return Subtract line 9 from line 6. |
| 5 | Expenses recorded on books this year not deducted in this return Attach schedule | | |
| 6 | Total Add line 1 through line 5. | | |

Form **990-EZ**

Short Form Return of Organization Exempt From Income Tax

OMB No. 1545-1150

2005

Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code
(except black lung benefit trust or private foundation)

► For organizations with gross receipts less than \$100,000 and total assets less than \$250,000 at the end of the year.

► The organization may have to use a copy of this return to satisfy state reporting requirements.

Open to Public Inspection

A For the 2005 calendar year, or tax year beginning 7/01, 2005, and ending 6/30, 2006

B Check if applicable:

- Address change
- Name change
- Initial return
- Final return
- Amended return
- Application pending

Please use IRS label or print or type. See Specific Instructions.

C
Santa Cruz Civic Improvement Corp
370 Encinal Street #100
Santa Cruz, CA 95060

D Employer identification number

77-0125662

E Telephone number

831-426-6080

F Group Exemption Number

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

G Accounting method: Cash Accrual
Other (specify) ►

H Check if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

I Web site: ► N/A

J Organization type (check only one) — 501(c) (3) ◀ (insert no.) 4947(a)(1) or 527

K Check if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization chooses to file a return, be sure to file a complete return. **Some states require a complete return.**

L Add lines 5b, 6b, and 7b, to line 9 to determine gross receipts; if \$100,000 or more, file Form 990 instead of Form 990-EZ. ► \$

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Instructions)

| | | 1 | 2 | 3 | 4 | 5a | 5b | 5c | 6a | 6b | 6c | 7a | 7b | 7c | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 |
|----------|--|---|---|---|---|----|----|----|----|----|----|----|----|----|---|---|----|----|----|----|----|----|----|----|----|----|----|----|
| REVENUE | 1 | Contributions, gifts, grants, and similar amounts received | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 2 | Program service revenue including government fees and contracts | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 3 | Membership dues and assessments | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 4 | Investment income | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 5a | Gross amount from sale of assets other than inventory | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 5b | Less: cost or other basis and sales expenses | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 5c | Gain or (loss) from sale of assets other than inventory (line 5a less line 5b) (attach schedule) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 6 | Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 6a | Gross revenue (not including \$ _____ of contributions reported on line 1) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 6b | Less: direct expenses other than fundraising expenses | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6c | Net income or (loss) from special events and activities (line 6a less line 6b) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7a | Gross sales of inventory, less returns and allowances | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7b | Less: cost of goods sold | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7c | Gross profit or (loss) from sales of inventory (line 7a less line 7b) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | Other revenue (describe ►) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9 | Total revenue (add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8) ► 0. | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| EXPENSES | 10 | Grants and similar amounts paid (attach schedule) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 11 | Benefits paid to or for members | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 12 | Salaries, other compensation, and employee benefits | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 13 | Professional fees and other payments to independent contractors | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 14 | Occupancy, rent, utilities, and maintenance | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 15 | Printing, publications, postage, and shipping | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 16 | Other expenses (describe ► See Statement 1) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 17 | Total expenses (add lines 10 through 16) ► 500. | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 18 | Excess or (deficit) for the year (line 9 less line 17) -500. | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ASSETS | 19 | Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return) 0. | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 20 | Other changes in net assets or fund balances (attach explanation) See Statement 2 500. | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 21 | Net assets or fund balances at end of year (combine lines 18 through 20) 0. | | | | | | | | | | | | | | | | | | | | | | | | | | |

Part II Balance Sheets — If Total assets on line 25, column (B) are \$250,000 or more, file Form 990 instead of Form 990-EZ.

(See Instructions)

| | | (A) Beginning of year | (B) End of year |
|----|--|-----------------------|-----------------|
| 22 | Cash, savings, and investments | 22 | |
| 23 | Land and buildings | 23 | |
| 24 | Other assets (describe ►) | 24 | |
| 25 | Total assets | 0. | 0. |
| 26 | Total liabilities (describe ►) | 0. | 0. |
| 27 | Net assets or fund balances (line 27 of column (B) must agree with line 21) | 0. | 0. |

BAA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

TEEA0803L 02/01/06 Form 990-EZ (2005)

YEAR
2005

California Exempt Organization Annual Information Return

FORM
199

For calendar or fiscal year beginning month 07 day 01 year 2005, and ending month 06 day 30 year 2006

IMPORTANT: Your number is required.

California corporation number 77-0125662 Federal employer identification number (FEIN) 77-0125662

Corporation/Organization name
Santa Cruz Civic Improvement Corp

Address 370 Encinal Street #100 PMB no. _____
City Santa Cruz, CA 95060 State _____ ZIP Code _____

A Final return? Check applicable box. Yes No
 Dissolved Withdrawn Merged/Reorganized (attach explanation)
 If a box is checked, enter date ●

B Check forms filed this year: State: 109 100 100S 100W Fed: 990
 Fed: 990EZ 990T 990PF 1041 1120H 1120

C If organization is exempt under R&TC Section 23701d and is a school, public charity, religious organization, or is controlled by a religious operation, check box. **See General Instruction F. No filing fee is required.**

D Is this a group filing? See General Instruction N. Yes No

E Accounting method used Accrual

F Type of organization Exempt under Section 23701 d (insert letter)
 IRC Section 4947(a)(1) trust

Part I Complete Part I unless not required to file this form. See General Instructions B and C.

| | | | | |
|---|----|--|----|-------|
| Receipts and Revenues (Enclose, but do not staple, any payment.) | 1 | Gross sales or receipts from other sources From Side 2, Part II, line 8 | 1 | |
| | 2 | Gross dues and assessments from members and affiliates | 2 | |
| | 3 | Gross contributions, gifts, grants, and similar amounts received See instructions | 3 | |
| | 4 | Total gross receipts for filing requirement test. Add line 1 through line 3 This line must be completed. If the result is less than \$25,000, see General Instruction C. | 4 | |
| | 5 | Cost of goods sold | 5 | |
| | 6 | Cost or other basis, and sales expenses of assets sold | 6 | |
| | 7 | Total costs. Add line 5 and line 6 | 7 | |
| | 8 | Total gross income. Subtract line 7 from line 4 | 8 | |
| Expenses | 9 | Total expenses and disbursements. From Side 2, Part II, line 18 | 9 | 500. |
| | 10 | Excess of receipts over expenses and disbursements. Subtract line 9 from line 8 | 10 | -500. |
| Filing Fee | 11 | Filing fee \$10 or \$25. See General Instruction F | 11 | 10. |
| | 12 | Penalty for failure to file on time See General Instruction L | 12 | |
| | 13 | Use tax. See instructions | 13 | |
| | 14 | Balance due. Add line 11, line 12, and line 13 | 14 | 10. |

- 15** If exempt under R&TC Section 23701d, has the organization during the year: (1) participated in any political campaign or (2) attempted to influence legislation or any ballot measure, or (3) made an election under R&TC Section 23704.5 (relating to lobbying by public charities)? If 'Yes,' complete and attach form FTB 3509, Political or Legislative Activities by Section 23701d Organizations Yes No
- 16** Did the organization have any changes in its activities, governing instrument, articles of incorporation, or bylaws that have not been reported to the Franchise Tax Board? If 'Yes,' complete an explanation and attach copies of revised documents. Yes No
- 17** Is the organization exempt under R&TC Section 23701g?
 If 'Yes,' enter amount of gross receipts from nonmember sources \$ _____ Yes No
- 18** Did the organization file Form 100, Form 100S, 100W, or Form 109 to report taxable income?
 If 'Yes,' enter amount of total income reported \$ _____ Yes No
- 19** The financial records are in care of The Corporation Daytime telephone 831-426-6080
 located at 370 Encinal Street, Santa Cruz, CA 95060

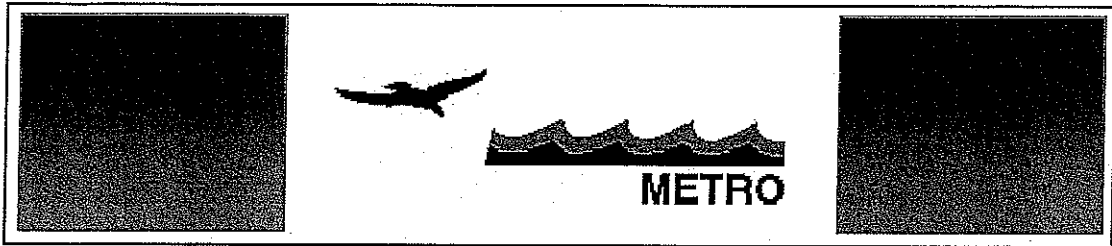
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true correct, and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Please Sign Here
 Signature of officer [Signature] Date 11/14/06 Title Chief Executive Officer
 Daytime telephone 831-426-6080

Paid Preparer's Use Only
 Paid Preparer's signature Steven R. Starbuck Date 11/14/06 Check if self-employed Paid preparer's SSN or PTIN P00542667
 Firm's name (or yours, if self-employed) and address Brown Armstrong Accountancy Corporation FEIN 95-3109182
4200 Truxtun Avenue Ste. 300 Daytime telephone (661) 324-4971
Bakersfield, CA 93309

EXHIBIT - B

PROPOSAL TO



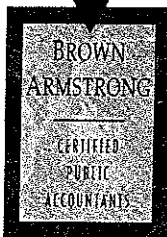
**SANTA CRUZ METROPOLITAN
TRANSIT DISTRICT**

**TO PROVIDE FINANCIAL AUDIT
AND TAX SERVICES**

**FOR THE FISCAL
YEARS ENDING
JUNE 30, 2007 THROUGH 2009**

RFP NO. 06-20

Submitted: March 14, 2007



Brown Armstrong Paulden
McCown Starbuck Thornburgh & Keeter
Accountancy Corporation
4200 Truxtun Avenue, Suite 300
Bakersfield, CA 93309
(661) 324-4971

Contacts:
Steven R. Starbuck, CPA, Principal
E-mail: sstarbuck@bacpas.com

Thomas M. Young, CPA, Audit Manager
E-mail: tyoung@bacpas.com

ORIGINAL

**Proposal to Santa Cruz Metropolitan Transit District
Presented by Brown Armstrong CPAs**

Proposal to
Santa Cruz Metropolitan
Transit District

To Provide Financial Audit
and Tax Services

For the Fiscal Years Ending
June 30, 2007 through 2009

Presented:
March 14, 2007

By:

Brown Armstrong Paulden
McCown Starbuck
Thornburgh & Keeter
Accountancy Corporation
4200 Truxtun Ave., Ste. 300
Bakersfield, CA 93309
Tel. (661) 324-4971
Fax (661) 324-4997
www.bacpas.com

Contacts:
Steven R. Starbuck, CPA
E-mail: sstarbuck@bacpas.com

Thomas M. Young, CPA
E-mail: tyoung@bacpas.com

Section 1

Letter of Transmittal

Section 2

Proposal Forms

Section 3

Qualifications and Technical Section

Section 4

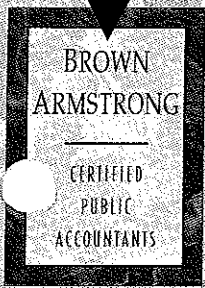
Exhibits



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BROWN ARMSTRONG
PAULDEN McCOWN STARBUCK THORNBURGH & KEETER
CERTIFIED PUBLIC ACCOUNTANTS

■ Main Office
4200 Truxtun Ave., Suite 300
Bakersfield, California 93309
Tel 661-324-4971 Fax 661-324-4997
e-mail: info@bacpas.com

■ Shafter Office
560 Central Avenue
Shafter, California 93263
Tel 661-746-2145 Fax 661-746-1218

Andrew J Paulden, CPA
Peter C. Brown, CPA
Burton H. Armstrong, CPA, MSI
Harvey J. McCown, MBA, CPA
Steven R. Starbuck, CPA
Aileen K. Keeter, CPA
Chris M. Thornburgh, CPA
Eric H. Xin, MBA, CPA
Lynn R. Krausse, CPA, MSI
Rosálva Flores, CPA
Connie M. Perez, CPA
M. Sharon Jones, CPA, MSI
Diana H. Branthoover, CPA
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Montgomery, CPA, MBA
Maunew R. Gilligan, CPA
Ryan S. Johnson, CPA
Hanna J. Sheppard, CPA
Michael C. Olivares, CPA
Ryan J. Nielsen, CPA
Amanda Fedewa, CPA
Jian Ou-Yang, CPA
Jialan Su, CPA

Letter of Transmittal

March 14, 2007

Lloyd Longnecker
Santa Cruz Metropolitan Transit District
110 Vernon Street, Suite B
Santa Cruz, California 95060

Dear Mr. Longnecker:

We are pleased to respond to your request for proposal to perform financial and compliance audits and to submit our qualifications to perform audits of the financial statements of the Santa Cruz Metropolitan Transit District (the District) for the fiscal years ending June 30, 2007 through June 30, 2009.

We have enjoyed our professional auditor relationship with you for the past several years, and hope to continue for three more. We have now documented your major internal control systems into our audit files. With our institutional knowledge of your accounting systems and with the likelihood of continuing with our same audit personnel for the ensuing years, audit disruption to your normal workflow will be minimal.

I, Steven R. Starbuck, will continue to be your Engagement Partner. As a principal of the Firm, I am authorized to represent our firm in contract negotiations and to contractually bind the Firm. I can be contacted at: 4200 Truxtun Avenue, Suite 300, Bakersfield, California 93309, Tel (661) 324-4971, Fax (661) 324-4997 or e-mail: sstarbuck@bacpas.com.

This proposal is firm and irrevocable for ninety (90) days. Please call if we may clarify any item.

Sincerely,

BROWN ARMSTRONG PAULDEN
McCOWN STARBUCK THORNBURGH & KEETER
ACCOUNTANCY CORPORATION

By: Steven R. Starbuck, CPA



SECTION 2. PROPOSAL FORMS

**GENERAL INFORMATION FORM
FINANCIAL AUDIT AND TAX SERVICES**

Brown Armstrong Paulden McCown Starbuck Thornburgh & Keeter
Legal Firm Name

March 14, 2007
Date

4200 Truxtun Avenue, Suite 300, Bakersfield, CA 93309
Firm's Address

(661) 324-4971
Telephone Number

(661) 324-4997
Fax Number

Corporation
Type of Organization (Partnership, Corporation, etc.)

95-3109182
Tax ID Number

Offeror understands and agrees that, by his/her signature, if awarded the contract for the project, he/she is entering into a contract with the District that incorporates the terms and conditions of the entire Request for Proposals package, including the General Conditions section of the Request for Proposals. Offeror understands that this proposal constitutes a firm offer to the District that cannot be withdrawn for ninety (90) calendar days from the date of the deadline for receipt of proposals. If awarded the contract, offeror agrees to deliver to the District the required insurance certificates within ten (10) calendar days of the Notice of Award.

Signature of Authorized Principal

Steven R. Starbuck, CPA, Principal
Name of Principal-in-Charge and Title

Steven R. Starbuck, CPA, Principal
Name of Project Manager and Title

Steven R. Starbuck, CPA, Principal, sstarbuck@bacpas.com, (661) 324-4971
Name, Title, Email Address and Phone Number of Person To Whom Correspondence Should be Directed

4200 Truxtun Avenue, Suite 300, Bakersfield, CA 93309
Addresses Where Correspondence Should be Sent

All Areas
Areas of Responsibility of Prime Contractor

Listing of major sub consultants proposed (if applicable), their phone numbers, and areas of responsibility (indicate which firms are DBE's):

N/A





**FORM OF PROPOSAL
FINANCIAL AUDIT & TAX SERVICES**

The undersigned ("Offeror"), upon acceptance by the District, agrees to furnish all labor, freight, transportation, materials, equipment, services, supplies and other work in accordance with the Request for Proposals (RFP) entitled "Financial Audit and Tax Services" dated February 13, 2007

Offeror understands that the costs for the Financial Audit and Tax Services takes into account all requirements, express and implied, of the aforementioned Request for Proposals (RFP) as specified in Part III (Specifications) of this RFP

The Board of Directors reserves the right to reject all proposals for any reason. The criteria for determining the successful Offeror are indicated in Part III – Specifications. **The successful Offeror obligates him/herself to provide Financial Audit and Tax Services at the firm fixed prices provided below for the initial year of contract service and the two additional option years.**

| | | | |
|---|----------------------------|----|---------------|
| Provision of District Financial Audit Services | Year One: | \$ | <u>39,500</u> |
| | First Option Year: | \$ | <u>39,500</u> |
| | Second Option Year: | \$ | <u>39,500</u> |

**Provision of Preparation of Federal and State Tax Returns
For Santa Cruz Civic Improvement Corporation**

| | | | |
|--|----------------------------|----|------------|
| | Year One: | \$ | <u>250</u> |
| | First Option Year: | \$ | <u>250</u> |
| | Second Option Year: | \$ | <u>250</u> |

Offeror has examined and is fully familiar with all terms and conditions of the Request for Proposals and any addenda issued by the District thereto, and Offeror unconditionally submits this proposal in strict accordance with said Request for Proposals. Offeror has carefully checked all words and figures shown on this Form of Proposal and has carefully reviewed the accuracy of all documents, representations, and statements submitted with this proposal.

Offeror acknowledges receipt of the following addenda to the Request for Proposals. All cost adjustments or other requirements resulting from said addenda have been taken into consideration by the offeror and included in the proposal

Addenda No.'s: 1

Brown Armstrong Paulden
McCown Starbuck Thornburgh & Keeter
Accountancy Corporation
Firm Name

Signature: Steven R. Starbuck, CPA





**CERTIFICATION OF PROPOSED CONTRACTOR REGARDING DEPARTMENT,
SUSPENSION AND OTHER INELIGIBILITY AND VOLUNTARY EXCLUSION**

(Contractor) Brown Armstrong Paulden McCown Starbuck Thornburgh & Keeter certifies to the best of its knowledge and belief, that it and its principals:

Are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal department or agency;

Have not within a three year period preceding this bid been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;

Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and

Have not within a three year period preceding this bid had one or more public transactions (Federal, State or local) terminated for cause or default.

If the Proposed Subcontractor is unable to certify to any of the statements in this certification, it shall attach an explanation to this certification.

(Contractor) Brown Armstrong Paulden McCown Starbuck Thornburgh & Keeter CERTIFIES OR AFFIRMS THE TRUTHFULNESS AND ACCURACY OF THE CONTENTS OF THE STATEMENTS SUBMITTED ON OR WITH THIS CERTIFICATION AND UNDERSTANDS THAT THE PROVISIONS OF 31 U.S.C. SECTIONS 3801 ET. SEQ. ARE APPLICABLE THERETO.

Signature and Title of Authorized Official





**BUY AMERICA PROVISION
(Only for Contracts above \$100,000)**

This procurement is subject to the Federal Transit Administration Buy America Requirements in 49 CFR part 661.

A Buy America Certificate, as per attached format, must be completed with the bid. A bid which does not include the certificate will be considered non-responsive.


A false certification is a criminal act in violation of 18 U.S.C. 1001. Should this procurement be investigated, the successful bidder/proposer has the burden of proof to establish that it is in compliance

A waiver from the Buy America Provision may be sought by SCMTD if grounds for the waiver exist

Section 165(a) of the Surface Transportation Act of 1982 permits FTA participation on this contract only if steel and manufactured products used in the contract are produced in the United States.

BUY AMERICA CERTIFICATE

The bidder hereby certifies that it will comply with the requirements of Section 165(a) or (b)(3) of the Surface Transportation Assistance Act of 1982, and the applicable regulations in 49 CFR Part 661

Date: March 14, 2007
Signature: 
Company Name: Brown Armstrong Paulden McCown Starbuck Thornburgh & Keeter
Title: Principal

OR

The bidder hereby certifies that it cannot comply with the requirements of Section 165(a) or (b)(3) of the Surface Transportation Assistance Act of 1982, but may qualify for an exception to the requirement pursuant to Section 165(b)(2) or (b)(4) of the Surface Transportation Assistance Act of 1982, as amended, and regulations in 49 CFR 661.7.

Date: _____
Signature: _____
Company Name: _____
Title: _____





**LOBBYING CERTIFICATION
(Only for Contracts above \$100,000)**

Lobbying Certification for Contract Grants, Loans and Cooperative Agreements (Pursuant to 49 CFR Part 20, Appendix A)

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal Contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contracts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal Contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form—LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions and as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96)
- (3) The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and Contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995) Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Bidder/Offeror certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Bidder/Offeror understands and agrees that the provisions of 31 U.S.C. A 3801, et. seq. apply to this certification and disclosure, if any.

Firm Name Brown Armstrong Paulden McCown Starbuck Thornburgh & Keeter

Signature of Authorized Official 

Name and Title of Authorized Official Steven R. Starbuck, Principal

Date March 14, 2007



SECTION 3. QUALIFICATIONS AND TECHNICAL SECTION

PROFILE OF OUR FIRM



Brown Armstrong had its roots in the late 1960's when Peter C. Brown and Burton H. Armstrong began their public accounting careers in Denver and San Diego with Big Eight international accounting firms. Brown formed a local Bakersfield accounting firm in 1974, whereas Armstrong returned to Bakersfield in 1970 to join another international accounting firm. He eventually joined Brown in 1985 to form one of Bakersfield's largest public accounting firms. Steven R. Starbuck joined the firm in 1991. Andrew J Paulden, Burton H. Armstrong, Steven R. Starbuck, and Eric H. Xin are the four partners involved in providing governmental auditing and accounting services.

Brown Armstrong is a regional accounting firm providing accounting, auditing, tax services and management services to public and private entities throughout California.

GENERAL

This technical proposal will demonstrate that Brown Armstrong has the qualifications, competence, and capacity to perform the independent audit of the Santa Cruz Metropolitan Transit District.

INDEPENDENCE

Our firm and its shareholders and employees are independent of the Santa Cruz Metropolitan Transit District (the District) and its component units, as defined by the United States General Accounting Office's Government Auditing Standards.

LICENSE TO PRACTICE IN CALIFORNIA

Our firm and all assigned key professional staff are properly licensed to practice in the State of California.

FIRM QUALIFICATIONS AND EXPERIENCE

Brown Armstrong currently employs 73 people:

| <u>Personnel</u> | <u>Total</u> |
|----------------------------------|--------------|
| Shareholders (Partners) | 8 |
| Managers | 13 |
| Seniors, Audit and Tax | 8 |
| Staff Accountants, Audit and Tax | 25 |
| Technicians and Other Support | <u>19</u> |
| Total | <u>73</u> |

All work on the Santa Cruz Metropolitan Transit District audit will be performed by personnel employed at our office located in Bakersfield, California. All assigned personnel will be employed on a full-time basis.

As part of its commitment to quality control, the firm has been a member of the SEC Practice Section of the American Institute of Certified Public Accountants (AICPA). We have completed five quality peer reviews over a period of fifteen years under the Section's guidance, and we have enclosed our most recent unqualified report. As a part of the peer review, the AICPA mandates a Single Audit Act client be reviewed by the review team, which was done during each of our reviews. No substantive problems or issues were raised. A copy of this report is included as Exhibit I.

We have had no disciplinary action taken against the firm or any of its members nor do we have any actions pending at the date of this proposal. Single audit reports are filed annually with the Federal Audit Clearinghouse. All of our school district reports are desk reviewed by the California State Controller's Office (SCO) every year. During the last three years, none of the referenced reports have been remanded to the clients for additional work. All were accepted upon the initial submission.





PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

The members of the audit team assigned to the engagement are:

Steven R. Starbuck, CPA, Engagement Partner
Burton H. Armstrong, CPA, Concurring Engagement Partner
Thomas M. Young, CPA, Engagement Manager
Ariadne S. Prunés, CPA, Engagement Senior
Heidi M. Rocha, Engagement Staff
Melissa M. Magallon, Engagement Staff

Mr. Starbuck has over sixteen years of government and commercial audit experience. He participates in the standard setting process, being a past and current member of various state society committees'. He currently manages the firm's transportation audits, which include Santa Cruz Metropolitan Transit District, Riverside Transit Agency, Central Contra Costa Transit Authority, Golden Empire Transit District and Kern Council of Governments.

Mr. Armstrong has over thirty years of governmental auditing experience. Among his current engagement responsibilities are audits of the North San Diego County Transit District, County of Santa Barbara, County of Kern, and Kern County Water District. Mr. Armstrong will be the concurring audit partner. As part of our quality control procedures, a concurring partner must review every engagement.

Mr. Young has ten years of governmental auditing experience. Among his current audit responsibilities are the Santa Cruz Metropolitan Transit District, Kern Council of Governments, San Bernardino Employees Retirement Association, County of Tulare, and City of Bakersfield. Mr. Young will supervise the financial and compliance audit required under the Single Audit Act and OMB Circular No. 133.

Ms. Prunés has nearly three years of experience auditing governmental entities. Most recently she has assisted with the audits of Santa Cruz Metropolitan Transit District, Golden Empire Transit District and Kern Council of Governments.

Ms. Rocha and Ms. Magallon have each been with the firm for over a year and have assisted with the audits of Santa Cruz Metropolitan Transit District and numerous other governmental audits.

PRIOR ENGAGEMENTS WITH THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

We have completed the District's financial statement audits for the past six years





SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

The following schedule of references indicates five audit engagements that we have performed in the last five years that are similar to Santa Cruz Metropolitan Transit District.

| <u>Client</u> | <u>Scope of Work</u> | <u>Date(s)</u> | <u>Partner</u> |
|--|--|-----------------------|-------------------------------------|
| Riverside Transit Agency 1825 Third St. Riverside, CA 92517 Craig Fajon (951) 565-5156 | Annual Financial Audit Single Audit Act | 2003 to 2006 | Steven R. Starbuck, CPA |
| North County Transit Agency 810 Mission Ave. Oceanside, CA 92056 Richard Hannasch (760) 967-2828 | Annual Financial Audit GASB 34 Implementation Single Audit Act | 2002 to 2006 | Burton H. Armstrong, CPA, MST |
| Santa Cruz Metropolitan Transit 370 Encinal St. Suite 100 Santa Cruz, CA 95060 Marilyn Fenn (831) 426-6143 | Annual Financial Audit GASB 34 Implementation Single Audit Act | 2001 to 2006 | Steven R. Starbuck, CPA |
| Golden Empire Transit 1401 19 th Street Bakersfield, CA 93301 Steven Woods (661) 861-2191 | Annual Financial Audit Single Audit Act Pension Audit | 1999 to 2001, 2006 | Steven R. Starbuck, CPA |
| Kern Council of Governments 1401 19 th Street Bakersfield, CA 93301 Greg Palomo (661) 861-2191 | Annual Financial Audit Single Audit Act Transit Streets and Roads | 1999 to 2001, 2006 | Steven R. Starbuck, CPA |



TECHNICAL AUDIT APPROACH

We emphasize "hands-on" partner involvement and consistency of staff assignments in our audits. We believe this emphasis benefits our clients in two ways:

1. A superior, quality audit is delivered on time; and
2. We reduce the cost of the audit - in audit fees, and in that unseen cost, the "training of an auditor" unfamiliar with the District's personnel and procedures.

The methods employed to formulate our auditors' opinions consist of several phases. These phases are: planning, study and evaluation of internal control compliance testing, final audit plan, final field work, final review, and completion of the audit.

Planning

We will begin the planning of the examination upon notification of award of the contract. Tasks to be accomplished during this phase include:

- Kick-off meeting with the finance director and all key finance department personnel and department heads of key offices or programs to discuss the scope of the examination, availability (vacation schedules) of your staff, prior audit problems, the interim work to be performed, the establishment of overall liaison for the audit, and arrangements for work space and other needs of the auditor.
- Develop the program to study and evaluate internal control.
- Conferences with all audit personnel involved in the engagement to discuss the scope and timing of the engagement, and anticipated areas of audit emphasis.
- Analytical review of the District's year-to-date financial information, and the District's budget and related materials.
- Develop and submit a Calendar of Activities for approval by the Finance Director.



Based on experience auditing California transit agencies, we have developed standard audit plans, which have been tailored to comply with:

- Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants.
- The standards for financial audits set forth in the U.S. General Accounting Office's Government Auditing Standards.
- The provisions of the Single Audit Act of 1984.
- The provisions of U.S. Office of Management and Budget (OMB) Circular A-133.
- The provisions of PUC Section 99243 and 99245 and the Transportation Development Act.

Study and Evaluation of Internal Control in Connection with the Financial Statement Audit

This is the cornerstone of the examination. Internal accounting control generally comprises the plan of organization and the procedures and records that are concerned with the safeguarding of assets and the reliability of financial records.

Based on our experience with transit agencies, we will focus our evaluation of the internal control system in the following areas:

- controls over the evaluation of passenger fares,
- controls over disbursements and purchasing,
- controls over payroll, and
- controls related to the administration of federal programs.

We will begin by preparing flow charts and other memoranda to describe the internal control system. These flow charts and other memoranda are prepared based on information obtained through our inquiry and observation of District personnel, and from our review of the District's organizational charts, procedural manuals and programs, and documented financial and management information systems. Our flow charts and memorandum will then be reviewed to isolate significant strengths and weaknesses that would affect the extent of our substantive audit procedures to be employed. Each strength is then tested and the results subjected to evaluation. These evaluations assist us in determining the amount of reliance we can place on the significant strengths we have identified.



At this point in our plan, we will have a progress conference with the finance director and/or designated personnel to summarize the results of our study and evaluation of internal control. This conference will occur in accordance with the approved Calendar of Activities.

Compliance Testing

Based on the results of our study and evaluation of the internal control structure, we will then perform compliance tests on the following:

| <u>Area</u> | <u>Sample Size</u> |
|---|------------------------|
| • Receipts and revenues; | 25-60 |
| • Disbursements and accounts payable; | 25-60 |
| • Payroll and related liabilities; and | 25-60 |
| • Controls over requirements of federal and state grants. | 60 (per major program) |

Staff will perform compliance testing with direct supervision by a senior. Any findings will be discussed with management for accuracy and the process of development of recommendations immediately started.

Final Audit Plan

Based on the results of our study and evaluation of the internal control structure, the results of our compliance testing, and the results of our planning analytical procedures, we prepare our final audit plan. This plan is documented in our audit programs in accordance with generally accepted auditing standards. This plan is then reviewed by the engagement partner for approval. This plan is then discussed with the finance director prior to the commencement of final field work. This conference will occur in accordance with the approved Calendar of Activities.

Final Field Work

In this phase of the examination, we obtain sufficient competent evidential matter to afford a reasonable basis for our opinions and reports. This evidential matter is obtained through the performance of substantive procedures consisting of inspection, observation, inquiry, confirmation, and analytical tests.

At the end of our field work, we will have an exit conference with the finance director and department heads of key offices or programs. The purpose of this meeting will be to summarize the results of our field work and to review significant findings. As part of this conference, we will review significant audit adjustments and items needed to complete the audit, if any exist. We will also review significant commitments and contingencies discovered during our audit and the need for disclosure. This conference will occur at the end of field work.

Final Review

The review process is constant throughout the engagement. Each working paper prepared by a staff assistant is reviewed by the engagement senior. The engagement partner then reviews all working papers and all financial statements and reports to be issued. These financial statements and reports are then reviewed by a governmental audit partner not directly involved in the engagement for concurrence of opinion prior to release of these statements and reports to the District.

Completion of the Audit

The objective of our audit plan is to express our opinion on the fair presentation of the District's financial statements, to report on the District's compliance with applicable laws and regulations, to report on the District's internal control structure, and to issue a management letter.

The following events will transpire between the conclusion of field work and delivery of the audited financial statements:

1. We will provide draft financial statements and supplementary schedules to the District no later than two weeks after final field work.
2. We will be available for any meetings that may be necessary to discuss the audit reports.
3. We will be available for a meeting with the Budget and Finance Committee.
4. The District will approve the draft no later than two weeks after receipt of the draft.
5. The final report will be issued in accordance with the approved Calendar of Activities.



Proposed Calendar of Activities

We propose the following calendar of activities:

- | | |
|----------|---|
| May | Planning Meeting – Conference Call |
| May | Submit Final Calendar of Activities |
| August | Preliminary Field Work |
| October | Final Field Work |
| October | Submit Draft Audit Report |
| November | Receive changes/approval for Draft Audit Report |
| November | Final Audit Report |





Information Incorporated into our Audit Approach:

Proposed Segmentation of the Engagement

The various phases of our audit plan, and the hours to complete each phase, will be divided among the audit team as follows:

| Segment | Level of Staff | Hours |
|--|----------------|------------|
| Planning | Partner | 8 |
| | Manager | <u>12</u> |
| | | 20 |
| Study and Evaluation of Internal Control | Partner | 4 |
| | Manager | 4 |
| | Senior | 16 |
| | Staff | <u>32</u> |
| | | 56 |
| Compliance Testing | Partner | 2 |
| | Senior | 4 |
| | Staff | <u>24</u> |
| | | 30 |
| Final Audit Plan and Field Work | Partner | 18 |
| | Manager | 40 |
| | Senior | 40 |
| | Staff | <u>80</u> |
| | | 178 |
| Completion of Audit | Partner | 16 |
| | Manager | 16 |
| | Senior | <u>24</u> |
| | | 56 |
| Total Hours | | <u>340</u> |



Sample Sizes and Anticipated Statistical Sampling

We will utilize Statement on Auditing Standards Number 39 for guidance in selecting sampling techniques and sizes. We anticipate using statistical sampling and evaluation in our tests of receipts, disbursements, payroll and expenditures. Usually to achieve 95% confidence over large populations, we do not sample more than 120 items, selected with replacement. We emphasize compliance items over substantive when using sampling.

Judgmental sampling and evaluation will be used for large dollar items, usually in excess of our selected materiality levels and bearing a strong relationship to our risk evaluation profile.

Analytical Procedures. We will use analytical procedures exactly as described in the foregoing paragraph, both in planning and auditing phases of our work. In addition, we will use internal data such as passenger fares per revenue miles to test reasonableness of fares collected and to determine reasonableness of fluctuation in operating expenses.

Extent of EDP Software in the Engagement. Each staff person has a personal computer, and has knowledge of a generic software we have purchased for auditing municipalities and report writing. We use this software in the beginning, inputting all prior year actual numbers, and the client current year budget, including amendments. We then input year-to-date numbers and run analytical work at the end of the audit comparing appropriation-expenditure numbers to prior year and budget amounts. All significant differences are investigated.

Report Writing. Our software is capable of complete report writing, including combining statements and footnotes.

Data Extraction. We will use "ACL" for data inquiry, analysis and reporting. Some of the procedures we perform with ACL are:

- Select disbursements over \$100,000 for testing.
- Test for duplicate payments
- Test for aging of receivables
- Test of fixed asset depreciation
- Test of inventory pricing



Understanding the District's Internal Control Structure

We use inquiry, both written and oral, to document our understanding of the District's internal control structure. We then test our understanding with compliance auditing, sometimes called tests of transactions.

Approach to Determine Applicable Laws and Regulations Subject to Audit Test Work

Our experience with various transit agencies and municipal audit clients, most with federal or state monies, has created a reservoir of knowledge of many laws and regulations. However, by inquiry and observation, we will determine all major programs (over \$300,000 annually) participated in by the District. We then consult the actual law, the Federal Register, Catalogue of Federal programs, or the California State Controllers guide to State and Federal Compliance to obtain understanding of the requirements of the law. For major programs, we specifically test those requirements by inspection of documents. However, based on our prior experience with transit agencies, we will probably identify the District's federal capital grant as a major program.

Approach for Drawing Audit Samples for Compliance Tests

Compliance test samples will be drawn usually by statistical sampling techniques. The universe from which the sample is drawn begins at the beginning of the year under audit, and ends with the end of that year. If a null is picked, it is replaced in draw sequence until sufficient live items comprise the planned sample size.

We use Excel to draw audit samples. We will need the District to provide us with all disbursements and payroll data files for the year in D-BASE or OBDC format from which to draw our samples.





IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS

None at this time.



SECTION 4. EXHIBITS

EXHIBITS

- I. External Quality Control Review Report
- II. Resumes
- III. Summary of Recent Governmental Audit Experience

EXHIBIT I

EXTERNAL QUALITY CONTROL REVIEW REPORT



WEAVER
AND
TIDWELL

L.L.P.

CERTIFIED PUBLIC
ACCOUNTANTS
AND CONSULTANTS

To the Shareholders of
BROWN ARMSTRONG PAULDEN McCOWN
STARBUCK AND KEETER, A.C.
and the Center for Public Company Audit Firms Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Brown Armstrong Paulden McCown Starbuck and Keeter A.C. (the firm) applicable to non-SEC issuers in effect for the year ended October 31, 2005. The firm's accounting and auditing practice applicable to SEC issuers was not reviewed by us since the Public Company Accounting Oversight Board (PCAOB) is responsible for inspecting that portion of the firm's accounting and auditing practice in accordance with PCAOB requirements. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of complying with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (the AICPA). The design of the system, and compliance with it, are the responsibilities of the firm. Our responsibility is to express an opinion on the design of the system, and the firm's compliance with that system based on our review.

Our review was conducted in accordance with standards established by the Peer Review Committee of the Center for Public Company Audit Firms and included procedures to plan and perform the review that are summarized in the attached description of the peer review process. Our review would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it since it was based on selective tests. Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice applicable to non-SEC issuers of Brown Armstrong Paulden McCown Starbuck and Keeter, A.C. in effect for the year ended October 31, 2005, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and was complied with during the year then ended to provide the firm with reasonable assurance of complying with professional standards.

As is customary in a peer review, we have issued a letter under this date that sets forth comments relating to certain policies and procedures or compliance with them. The matters described in the letter were not considered to be of sufficient significance to affect the opinion expressed in this report.

DALLAS

Three Forest Drive
1221 Maple Drive
Suite 1000
Dallas, Texas 75231-3289
972 490 1920
972 492 8821

FORT WORTH

600 W. 2 Street, Suite
State 200
Fort Worth, Texas 76102-2506
817 332 2905
817 429 5936

WWW.WEAVERANDTIDWELL.COM

AN INDEPENDENT MEMBER OF
BAKER TILLY
INTERNATIONAL


WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 12, 2006

EXHIBIT II

AUDIT TEAM RESUMES

**Steven R. Starbuck, CPA
Engagement Partner**

**Burton H. Armstrong, CPA, MST
Technical Review Partner**

**Thomas M. Young, CPA
Engagement Manager**

**Ariadne S. Prunés, CPA
Engagement Senior**

**Heidi M. Rocha
Engagement Staff**

**Melissa M. Magallon
Engagement Staff**



Resume of Steven R. Starbuck, CPA

Principal
Brown Armstrong Paulden
McCown Starbuck Thornburgh & Keeter
Accountancy Corporation

Academic Background:

California Polytechnic State University, San Luis Obispo, 1990
 Bachelor of Science Degree in Business Administration, Concentration in Accounting

Summary of Experience

Non-Profit:

Kern County Children & Families
 Commission
 Center for the Blind & Visually
 Impaired
 Goodwill Industries of Southern
 California
 Bakersfield Museum of Art

Cities:

City of Santa Barbara
 City of Tehachapi
 City of Fresno
 City of Arvin

Agriculture:

Rio Bravo Tomato, LLC
 A&P Growers, Inc
 APCAL
 Meridian Nut Growers Alliance, Inc
 Bloemhof Ag Enterprises

Counties:

County of Kern
 County of Monterey

Construction:

ARE, Inc
 Southwest Contractors

School Districts:

Bakersfield City School District
 Madera Unified School District
 Kern High School District
 Panama-Buena Vista School District
 Yosemite Union High School District
 Chowchilla Union High School District
 Fruitvale Union School District

Transit:

Kern Council of Governments
 San Joaquin Regional Transit Authority
 Council of Fresno County Governments
 Santa Cruz Metropolitan Transit
 Central Contra Costa Transit
 Riverside Transit Agency

Health Care:

Kern Medical Center
 Natividad Medical Center
 Self-Insured Schools of California
 Tehachapi Valley Hospital
 Health Care District
 Heritage Provider Network

Special Districts:

Bear Valley Springs Homeowners Association
 Pine Mountain Homeowners Association

University & Community College

Foundation & Auxiliary Organizations:
 Kern Community College District
 San Luis Obispo County Comm College District
 College of the Sequoias Comm College District
 Victor Valley Community College District

Retirement Systems:

Los Angeles County Employees' Retirement Association
 San Bernardino County Employees' Retirement Association
 Ventura County Employees' Retirement Association
 Kern County Employees' Retirement Association
 San Mateo County Employees' Retirement Association
 Stanislaus County Employees' Retirement Association
 Tulare County Employees' Retirement Association
 Marin County Employees' Retirement Association
 Merced County Employees' Retirement Association
 Fresno City Employees' Retirement System
 San Diego County Employees' Retirement Association
 Los Angeles City Employees' Retirement System
 Contra Costa County Employees' Retirement Association

Publicly Traded Companies:

Royale Energy, Inc.
 Tri-Valley Corporation (SEC)
 Brush Creek Mining & Development
 Company, Inc
 AMMG, Inc
 Foothill Resources, Inc. (SEC)
 Pismo Coast Village (SEC)

Financial Institutions:

Sierra National Bank
 Mission Bank
 Finance & Thrift Bank
 San Joaquin Bank (SEC)

Professional Associations

American Institute of Certified Public Accountants
 California Society of Certified Public Accountants
 Bakersfield Chapter, California Society of Certified Public Accountants
 CSCPA Governmental Audit and Accounting Committee
 Government Finance Officers Association (GFOA)
 Council of Petroleum Accountants Society

Other Activities:

Henrietta Weill Memorial Child Guidance Clinic, Past - President
 Children's Advocates Resource Endowment, Treasurer
 Active 20/30 International, Bakersfield, Past-President / Board of Directors

Continuing Education:

Sarbanes Oxley CPEAF & PCAOB, 2005
 The Future of Accounting & Auditing, 2004-2005
 Internal Control & Fraud Prevention, 2005
 FDIC Section 404 & Bank Regs, 2005
 Internal Control & Business Environment, 2005
 SEC & Financial Reporting Institute, 2004-2005
 Governmental A & A Updates, 2004-2006
 Paperless Audit Solutions, 2004



Resume of Burton H. Armstrong, CPA, MST



**Principal/Audit Coordinator
Brown Armstrong Paulden
McCown Starbuck Thornburgh & Keeter
Accountancy Corporation**

Academic Background.

University of California, Berkeley, 1962. Political Science Major
California State University, Northridge, 1967. Bachelor of Science Degree in Accounting
Golden Gate University, Los Angeles Campus, 1989. Master of Science Degree in Taxation

Summary of Experience

Counties:

Kern
Kings
Tulare

Cities:

Bakersfield
Delano
Fresno
Santa Barbara
Tehachapi

Retirement Systems:

Contra Costa County Employees' Retirement Association
Fresno City Employees' Retirement System
Kern County Employees' Retirement Association
Los Angeles City Employees' Retirement System
Los Angeles County Employees' Retirement Association
Marin County Employees' Retirement Association
Merced County Employees' Retirement Association
San Bernardino County Employees' Retirement Association
San Diego County Employees' Retirement Association
San Mateo County Employees' Retirement Association
Stanislaus County Employees' Retirement Association
Tulare County Employees' Retirement Association
Ventura County Employees' Retirement Association

Transit Districts:

Fresno County Council of Governments
Kern Council of Governments
North San Diego County Transit District
Omnitrans - San Bernardino, CA

Health Care:

Community Health Plan
Heritage Provider Network
Kern Health System
Kern Medical Center

Special Districts:

Belridge Water Storage District
Kern County Water Agency
Minter Field Airport District
Mojave Public Utility District
San Joaquin Valley Air Pollution Control District
West Side Cemetery District
West Side Mosquito & Vector Control District

Financial Institutions:

San Joaquin Bank, Bakersfield
Finance & Thrift, Porterville
Mission Bank, Bakersfield
Mojave Desert Bank, Mojave
Sierra National Bank, Tehachapi

Pension Plans:

Buck Owens's Production Co., Inc - 401(k) Plan
Derrell's Mini Storage, Inc - 401(k) Plan
Home IV, Inc - 401(k) Plan
Kern Schools Federal Credit Union
MBIA - 401(k) Plan
Med Mart - 401(k) Plan
North Bakersfield Recreation & Park District Pension Plan
San Francisco Bay Area Rapid Transit Deferred Compensation Plan
San Francisco Bay Area Rapid Transit Money Purchase Plan
Western Drilling, Inc - 401(k) Plan

Commercial Audits:

Blackwell Land Company, Inc.
Lancaster Mortgage Services, Inc
Makoil, Inc
Mt Poso Co-Generation Company
San Joaquin Refining Company, Inc
Vaquero Partners I

Publicly Traded & PCAOB Supervised Audits

Foothill Resources, Inc
San Joaquin Bank
Tri-Valley Oil & Gas Corporation
Whittier Energy Corporation

Not-Profit

Gladiators Youth Basketball Organization
Gold Wave (CSUB Swim Team)
Twin Towers Orphan Fund

Professional Associations.

American Institute of Certified Public Accountants
California Society of Certified Public Accountants
Council of Petroleum Accountants Society, Past President, Bakersfield Chapter
California Independent Producers Association, Board member

Continuing Education

Governmental Accounting & Auditing Updates, 2003-2006
Sarbanes Oxley Act, 2003-2005
SEC and Reporting Institute Conference, 2002-2005
Sarbanes Oxley Section 404 Compliance, 2004-2005
Internal Control & Fraud Prevention, 2005
Future of Accounting & Auditing Standards, 2005
Yellow Book Update, 2005
PCAOB Standards, 2004





Resume of Thomas M. Young, CPA

Audit Manager
Brown Armstrong Paulden
McCown Starbuck Thornburgh & Keeter
Accountancy Corporation

Academic Background

University of California, Davis, 1994
Bachelor of Arts Degree in Economics

Summary of Experience:

Retirement Systems:

Contra Costa County Employees' Retirement Association
Kern County Employees' Retirement Association
Los Angeles County Employees' Retirement Association
San Bernardino County Employees' Retirement Association
San Diego County Employees' Retirement Association
San Joaquin County Employees' Retirement Association
Tulare County Employee's Retirement Association
Ventura County Employees' Retirement Association

Pension Plans:

San Luis Obispo Pension Trust
North Bakersfield Recreation & Park District Pension Plan

Cities:

Bakersfield
Fresno
Hanford
Madera
Santa Barbara
Tehachapi
Tulare

Counties:

County of Kern
County of Monterey
County of Tulare

School Districts:

Arvin Union School District
Bakersfield City School District
Greenfield Union School District
Kern High School District
Madera Unified School District
Richgrove School District
Yosemite High School District

Special Districts:

Bear Valley Springs Association
Kern County Bar Association
Mojave Public Utility District
North Bakersfield Recreation & Park District
Self-Insured Schools
Tule River Tribal Council
Westside Mosquito and Vector District

University & Community College

Foundation & Auxiliary Organizations:

College of the Sequoias Community College District
Kern Community College District
San Luis Obispo Community College District
Victor Valley Community College District

Water Districts:

Belridge Water Storage District
Kern County Water Agency
Port Hueneme Water Agency

Transit Districts:

Antelope Valley Transit Authority
Contra Costa County Transit District
Council of Fresno County Governments
Golden Empire Transit District
Kern Council of Governments
Omnitrans Transit District
Riverside Transit Agency
Santa Cruz Metropolitan Transit District

Extractive Industries:

Aladdin Oil, Inc.
Los Alamos Energy
Makoil, Inc.
N-W Oil & Gas
Petrominerals Corporation
Royale Energy Corporation
San Joaquin Refining, Inc.
Titan Energy, Inc.
Iri-Valley Oil & Gas, Inc.
Western Drilling, Inc.

Financial Institutions:

Finance & Thrift Bank
Mission Bank
Mojave Desert Bank
San Joaquin Bank
Sierra National Bank

Agriculture:

A&P Growers, Inc.

Professional Affiliations:

American Institute of Certified Public Accountants
California Society of Certified Public Accountants

Continuing Education

Governmental Accounting and Auditing Update, 1998-2006
Single Audit Update, 1998-2006
Fraud in the Government & Non-Profit Environment, 2006
Internal Control & Fraud Prevention, 2006
Future of Accounting & Auditing Post Enron, 2005
Choosing the Right Business Entity, 2005





Resume of Ariadne S. Prunés, CPA

**Senior
Brown Armstrong Paulden
McCown Starbuck Thornburgh & Keeter
Accountancy Corporation**

Academic Background

University of California Los Angeles, December 2003
Bachelor of Arts in Business-Economics
Minor in Accounting

Summary of Experience.

Retirement Systems:

San Bernardino Employees' Retirement Association
Ventura County Employees' Retirement Association
Merced County Employees' Retirement Association
San Mateo County Employees' Retirement Association
Stanislaus County Employees' Retirement Association
Tulare County Employees' Retirement Association
San Luis Obispo County Pension Trust

Extractive Industries

Makoil, Inc.
Tricor Energy, LLC

Financial Institutions

Finance and Thrift
Mission Bank
Mojave Desert Bank

University and Community College

Foundation and Auxiliary Organizations

Kern Community College District
San Luis Obispo Community College District

Cities

City of Madera
City of Hanford
City of Tulare

School Districts:

Bakersfield City School District
Greenfield Union School District
Richland School District
Arvin Union School District
El Tejon Unified School District
Mojave Unified School District
Inyo County Office of Education

Water Districts

Belridge Water Storage District

Transit Districts

Santa Cruz Metropolitan Transit District
North County Transit District
Riverside Transit Authority
Kern Council of Governments
Golden Empire Transit

Healthcare

Good Samaritan Hospital
HCM Services, Inc.

Commercial Entities

Pine Mountain Homeowners Association
Hellman Properties, LLC
Westwind Communications, LLC

Professional Activities:

Associate Member California Society of CPAs

Continuing Education.

Governmental Accounting and Audit Update, 2005 - 2006
Fraud in the Governmental and Not-for-Profit Environments, 2005
A&A Standards & Updates 2006
Spidell Tax Update, 2004-2006



Resume of Heidi M. Rocha

**Staff Accountant
Brown Armstrong Paulden
McCown Starbuck Thornburgh & Keeter
Accountancy Corporation**

Academic Background

**California State University, Bakersfield, 2005
Bachelor of Science Degree in Business Administration, Concentration in Accounting**

Summary of Experience:

Cities:

City of Tulare

Counties

County of Kern

School Districts:

Greenfield Union School District
Arvin Union School District
Richland School District
Tulare Union School District

Special Districts:

Port Hueneme Water Agency

Transit District:

Santa Cruz Metropolitan Transit District
Riverside Transit Authority

University & Community College

Victor Valley Community College District

Commercial Entities

Pismo Coast Village, Inc.

Retirement Systems

Kern County Employees' Retirement Association
Merced County Employees' Retirement Association

Continuing Education

Spidell Tax Update, 2005 - 2006
Governmental Accounting & Auditing, 2005 - 2006



Resume of Melissa M. Magallon

Staff Accountant
Brown Armstrong Paulden
McCown Starbuck Thornburgh & Keeter
Accountancy Corporation

Academic Background:

California Polytechnic State University, San Luis Obispo, CA 2005
Bachelor of Science Degree in Business Administration
Concentration in Accounting

Summary of Experience:

Transit Districts:

Central Contra Costa Transit Authority
Kings County Transit
Riverside Transit Agency
Santa Cruz Metropolitan Transit District

Special Districts:

Bear Mountain Recreation and Park District
Kern County Water Agency
Minter Field Airport District
North Bakersfield Recreation and Park District
North Kern Vocational Training Center

School Districts:

Arvin Union School District
Bakersfield City School District
Big Pine Unified School District
Chowchilla Union High School District
Death Valley Unified School District
Delano Union School District
Fruitvale School District
Richgrove Elementary School District
Richland School District
Round Valley Joint Elementary School District
Taft Union High School District

Retirement Systems:

Contra Costa County Employees' Retirement System
Fresno City Employees' Retirement System
Kern County Employees' Retirement Association
Los Angeles City Employees' Retirement System
San Bernardino County Employees Retirement Association
Tulare County Employees' Retirement Association

Non Profits:

Boy Scouts of America
Ebony Counseling Center, Inc

Continuing Education:

Accounting and Auditing of States and Local Governments, 2007
Governmental Accounting and Auditing Update, 2005-2006
Spidell Tax Update 2005-2006

Pension Plans:

HCM, Inc. 401(k) Plan
Derrel's Mini Storage 401(k)
Kern Schools Federal Credit Union
401(k) Plan
Kern Schools Federal Credit Union
Defined Benefit Plan
North Bakersfield Recreation & Park District
Pension Plan

Counties:

County of Kern
County of Kings

Cities:

City of Delano

Financial Institutions:

Mojave Desert Bank

Agriculture:

A&P Growers, Inc.
BLC Farmlands, LLC
Blackwell Land, LLC

Publicly Traded & PCAOB Supervised Audits

San Joaquin Bank



EXHIBIT III

SUMMARY OF RECENT GOVERNMENTAL AUDIT EXPERIENCE

| Special Districts | Governmental Retirement Systems | Counties | Cities |
|--|--|--|---|
| ACCEL Port Hueneme Water Agency North Bakersfield Recreation And Park District Shafter Recreation & Park District Bear Mountain Recreation & Park District San Joaquin Valley Air Pollution Control District Westside Cemetery District Westside Mosquito and Control Vector District Minter Field Airport District Kern County Water Agency McAllister Ranch Irrigation Dist. Belridge Water District Mojave Public Utility District Bear Valley Springs Homeowners' Association Pine Mountain Homeowners' Association | Ventura County Employees' Retirement Association Los Angeles County Employees' Retirement Association Kern County Employees' Retirement Association San Bernardino County Employees' Retirement Association Tulare County Employees' Retirement Association City of Fresno Employees' Retirement System Merced County Employees' Retirement Association San Francisco Bay Area Rapid Transit Deferred Compensation and Money Purchase Plans Sonoma County Employees' Retirement Association Los Angeles City Employees' Retirement System Stanislaus County Employees' Retirement Association County of Fresno Employees' Retirement Association | County of Kern County of Monterey County of Tulare County of Santa Barbara | City of Arvin City of Bakersfield City of Coalinga City of Delano City of Fresno City of Indio City of Madera City of Ridgecrest City of Santa Barbara City of Tehachapi City of Tulare |
| Transit | | Health Care | |
| Central Contra Costa Transit Authority Fresno Council of Governments Kern Council of Governments Fresno Transit Golden Empire Transit Santa Cruz Metropolitan Transit District San Joaquin Regional Transit District North County Transit District Antelope Valley Transit Authority | | Tehachapi Valley Hospital Kern Health Systems Kern Medical Center Heritage Provider Network Community Health Plan MediCo Heritage California Medical Group | |
| School Districts | College Districts | Non-profits | |
| Madera Unified School District Mojave Unified School District Yosemite Unified School District Norris School District Inyo Co. Office of Education Richgrove School District Kern High School District Taft High School District Bakersfield City School District Greenfield Union School District Standard School District Richland School District | Kern Community College District San Luis Obispo Co. Community College District College of the Sequoias Community College District Victor Valley Community College District Cal Poly Student Union & ASI | Goodwill of California Boy Scouts of America Kern Humane Society Kern County Library Foundation Kern County Bar Association Center for the Blind Y M C A. of Kern County Ebony Counseling Center Tranquil Waters Guidance Center | |



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: April 27, 2007
TO: Board of Directors
FROM: Tom Stickel, Manager of Maintenance
SUBJECT: CONSIDERATION OF ONE-YEAR RENEWAL OF CONTRACT WITH VEHICLE MAINTENANCE PROGRAM, INC. FOR BUS FILTERS

I. RECOMMENDED ACTION

District staff is recommending that the Board of Directors authorize the General Manager to execute an amendment to the contract with Vehicle Maintenance Program, Inc. for bus filters to extend the contract for an additional one-year period.

II. SUMMARY OF ISSUES

- At its August 15, 1997 board meeting, the Board of Directors authorized the District's participation in the Regional Transit Coordinating Council (RTCC) cooperative purchase agreements.
- The RTCC Procurement Committee has established a contract for bus filters. The District is a participating agency on this contract.
- The RTCC Procurement Committee has negotiated with the contractor for a one-year contract extension.
- District staff recommends that the Board of Directors authorize the General Manager to extend the contract with Vehicle Maintenance Program, Inc. for the purchase of bus air, fuel and oil filters for an additional one-year period.

III. DISCUSSION

In order to obtain the best prices by combining annual quantities from several participating transit agencies, the RTCC Procurement Committee actively participates in joint procurements for commodities that are commonly used by RTCC member agencies.

On April 5, 2007, Golden Gate Bridge, Highway and Transit District (lead RTCC agency for this contract) exercised an option to extend the RTCC contract for one additional year. District staff recommends that the Board of Directors authorize the General Manager to execute an amendment to the contract with Vehicle Maintenance Program, Inc. to extend the contract for one additional year.

15.1

IV. FINANCIAL CONSIDERATIONS

The necessary funds for the procurement of bus filters are contained within the Fleet Maintenance operating budget. Annual estimated budget for bus filters is \$25,000.

V. ATTACHMENTS

Attachment A: Contract amendment with Vehicle Maintenance Program, Inc.

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FIRST AMENDMENT TO CONTRACT FOR BUS AIR, FUEL
AND OIL FILTERS (2005-BT-9-RTCC)**

This First Amendment to contract for bus air, fuel and oil filters is made effective May 1, 2007 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("District") and VEHICLE MAINTENANCE PROGRAM, INC. ("Contractor").

I. RECITALS

1.1 District and Contractor entered into a Contract for bus air, fuel and oil filters on May 13, 2005.

1.2 The Contract allows for two additional one (1) year terms upon mutual written consent.

1.3 The purpose of this First Amendment is to renew the contract for a one-year period, pursuant to the provisions of paragraph 3 of the Contract, which allows for two additional one-year terms upon mutual written consent. This fully executed First Amendment constitutes mutual written consent.

Therefore, District and Contractor amend the Contract as follows:

II. TERM

2.1 Paragraph 3.02 is amended to include the following language:

This Contract shall continue through April 30, 2008. This Contract may be mutually extended by agreement of both parties.

III. PRICE INCREASE

3.1 Prices on all filters will remain the same except for a price increase on the following four filters:

| <u>Part #</u> | <u>New Unit Price</u> |
|---------------|-----------------------|
| CA3518 | \$20.43 |
| P1146GFP | \$2.76 |
| P1147GFP | \$2.70 |
| L3578FN | \$4.63. |

IV. REMAINING TERMS AND CONDITIONS

4.1 All other provisions of the Contract that are not affected by this amendment shall remain unchanged and in full force and effect.

V. AUTHORITY

5.1 Each party has full power to enter into and perform this First Amendment to the Contract and the person signing this First Amendment on behalf of each has been properly authorized and empowered to enter into it. Each party further acknowledges that it has read this First Amendment to the Contract, understands it, and agrees to be bound by it.

Signed on _____

DISTRICT
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
Secretary/General Manager

CONTRACTOR
VEHICLE MAINTENANCE PROGRAM, INC.

By _____
Penny M. Brooks
President

Approved as to Form:

Margaret Rose Gallagher
District Counsel

15.92

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

STAFF REPORT

DATE: April 27, 2007
TO: Board of Directors
FROM: Margaret Gallagher, District Counsel
SUBJECT: ACCEPT AND FILE CALL STOP AUDIT REPORT FOR THE PERIOD OF JANUARY THROUGH MARCH 2007

I. RECOMMENDED ACTION

This report is for informational purposes only. No action is required.

II. SUMMARY OF ISSUES

- At the November 2001 Board of Directors meeting, staff was authorized to conduct quarterly call stop compliance audits of the internal call stop announcements.
- Staff contracted with Robert S. Bortnick & Associates, a private investigative firm, to conduct the audit.
- METRO has 41 active routes serving 998 active bus stops. On July 25, 2003, the Talking Bus was activated on all local routes excluding the Highway 17 service.
- On February 23, 2004 all buses and routes, including the Highway 17 service were equipped with the Talking Bus Technology and the system was fully operational.

III. DISCUSSION

At the November 2001, Board of Directors' meeting, staff was authorized to conduct quarterly call stop compliance audits to insure that call stop announcements were being made. Staff contracted with Robert S. Bortnick & Associates, a private investigative firm, to conduct the audits. Robert S. Bortnick & Associates was authorized to conduct 100 hours to survey the internal announcements at a cost of \$5,000.00 each quarter. METRO has 41 active routes serving 998 active bus stops. METRO purchased Talking Bus equipment and programming capabilities in order to assure compliance with the call stop requirements. On July 25, 2003 the Talking Bus was activated on all local routes. On February 23, 2004, all buses in Metro's fixed route service, including the Highway 17 service, were equipped with the Talking Bus Technology.

Attachment A details the results of the current audit for the period January through March 2007. The results of the audit indicate a compliance rate of 98.7% and indicate that only 31 failures occurred during the period. Therefore, of the 2,461 possible stop announcements, the announcements were properly announced 2,430 times (98.7%) and failed 31 times (1.3%) during

the period. Attachment B provides the results of the call stop audits since the Talking Bus Technology has been in operation.

All compliance issues are referred to the Operations Department for review and appropriate action. Equipment malfunctions are referred to the Maintenance Department and programming errors are referred to the IT Department.

Additionally, METRO's contract security guards complete random external route announcement checks on 25 buses per day at Pacific Station, verifying that each bus announces the route four times within a 2-minute period prior to the bus' departure from Pacific Station. During this period, January through March 2007, the security guards documented 100 possible daily announcements for the 25 buses (4 X each). For the three month period, January-March, 2007, of the 90 days audited and a total of 100 possible daily announcements, only 3 of the external announcements were not announced, a success rate of 99.9%.

METRO has recently contracted with Gene Ervin, an Independent contractor, to audit the external announcements at the Cavallaro Transit Center and the Watsonville Transit Center. However, Mr. Ervin was not able to continue doing this work. The position is being advertised and applications are currently being accepted and reviewed for the position.

IV. FINANCIAL CONSIDERATIONS

Randomly conducted call stop compliance audits cost approximately \$20,000.00 per year.

V. ATTACHMENTS

Attachment A: Stop Announcement Audit Results (January-March 2007)

Attachment B: Summary of Audit Results

ROBERT S. BORTNICK & ASSOCIATES
PRIVATE INVESTIGATION

CRIMINAL/CIVIL
CA. LIC. NO. PI1733

136 VERNON STREET
SANTA CRUZ, CALIFORNIA 95060
TELEPHONE (831) 423-5122
FAX (831) 459-0430
E-MAIL: BortnickPI@yahoo.com

STOP ANNOUNCEMENT AUDIT RESULTS (JANUARY – MARCH 2007)

Statistical Summary

Total number of trips surveyed _____ 86
Total number of trips with talking buses _____ 86 (100%)
Total number of stop announcements surveyed _____ 2,461
Total number of stop announcements made _____ 2,430 (99%)
Total number of stop announcements missed _____ 31

Key to Codes

M = missed stop announcement(s)

Operator Badge Not Visible

Table of Results

| <u>ROUTE</u> | <u>OP #</u> | <u>BUS #</u> | <u>DATE</u> | <u>CALLS MADE</u> | <u>CALLS MISSED</u> | <u>NOTES</u> |
|------------------------------|-------------|--------------|-------------|-------------------|---------------------|--------------|
| 03 – Mission & Natural Brdgs | | 9814 | 01/11/07 | 20 | 0 | |
| 03 – Mission & Natural Brdgs | | 9806 | 01/22/07 | 31 | 0 | |
| 03 – Mission & Natural Brdgs | | 9810 | 03/14/07 | 39 | 0 | |
| 04 – Harv West/Paradise/Em | | 2221 | 01/31/07 | 24 | 0 | |
| 04 – Harv West/Paradise/Em | | 2221 | 03/14/07 | 25 | 0 | |

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Table of Results

| <u>ROUTE</u> | <u>OP #</u> | <u>BUS #</u> | <u>DATE</u> | <u>CALLS MADE</u> | <u>CALLS MISSED</u> | <u>NOTES</u> |
|----------------------------|-------------|--------------|-------------|-------------------|---------------------|--------------|
| 04 – Harv West/Paradise/Em | | 2219 | 03/28/07 | 26 | 0 | |
| 07 – Beach/Lighthouse | | 2210 | 02/26/07 | 27 | 0 | |
| 09 – Prospect Heights | | 9829 | 01/16/07 | 5 | 0 | |
| 10 – UC High St | | 8078 | 01/22/07 | 13 | 0 | |
| 10 – UC High St | | 9807 | 01/31/07 | 20 | 1 | M |
| 10 – UC High St | | 9806 | 03/06/07 | 18 | 0 | |
| 10 – UC High St | | 9809 | 03/28/07 | 14 | 0 | |
| 13 – UC Walnut | | 9819 | 02/13/07 | 16 | 0 | |
| 15 – Laurel West | | 2204 | 01/22/07 | 13 | 0 | |
| 15 – Laurel West | | 2201 | 02/15/07 | 17 | 2 | M |
| 15 – Laurel West | | 2207 | 02/15/07 | 10 | 0 | |
| 16 – Laurel East | | 9820 | 01/22/07 | 8 | 0 | |
| 16 – Laurel East | | 9820 | 01/31/07 | 11 | 0 | |
| 16 – Laurel East | | 2215 | 03/28/07 | 17 | 0 | |
| 19 – UC Lower Bay | | 9830 | 02/14/07 | 38 | 0 | |
| 20 – UC Westside | | 2203 | 02/13/07 | 26 | 1 | M |
| 20 – UC Westside | | 9819 | 03/06/07 | 22 | 1 | M |
| 20S – Swift Street | | 9838 | 01/22/07 | 29 | 0 | |
| 31 – S Vly Dr/Graham Hill | | 9817 | 03/12/07 | 21 | 0 | |
| 31 – S Vly Dr/Graham Hill | | 2238 | 03/27/07 | 21 | 0 | |
| 32 – Graham Hill | | 9806 | 03/28/07 | 20 | 0 | |
| 35 – Glen Arbor/Mt Store | | 2215 | 01/23/07 | 30 | 0 | |
| 35 – Hwy 9/Bear Creek | | 2210 | 03/28/07 | 9 | 0 | |
| 35 – Hwy 9/Country Club | | 2215 | 03/12/07 | 22 | 0 | |
| 35 – Santa Cruz | | 2216 | 01/23/07 | 19 | 2 | M |
| 35 – Santa Cruz | | 2215 | 02/13/07 | 32 | 0 | |
| 35 – Santa Cruz | | 2212 | 02/16/07 | 32 | 0 | |
| 35 – Santa Cruz | | 9819 | 02/27/07 | 32 | 0 | |
| 35 – Santa Cruz | | 2210 | 03/28/07 | 9 | 0 | |
| 35 – Santa Cruz/Glen Arbor | | 9802 | 01/14/07 | 35 | 1 | M |
| 35 – Santa Cruz/Glen Arbor | | 2212 | 01/30/07 | 9 | 0 | |
| 35A – Glen Arbor/Mt Store | | 9813 | 01/14/07 | 47 | 0 | |
| 35A – Hwy 9/Bear Creek | | 2211 | 02/13/07 | 40 | 0 | |
| 35A – Hwy 9/Sylvan/CC | | 2215 | 02/16/07 | 39 | 0 | |
| 35A – Hwy 9/Country Club | | 2215 | 01/30/07 | 18 | 0 | |
| 35A – Hwy 9/Country Club | | 2216 | 02/27/07 | 40 | 0 | |
| 40 – Santa Cruz | | 9803 | 01/13/07 | 12 | 0 | |
| 40 – Waddell Crk/Davenport | | 9803 | 01/13/07 | 8 | 0 | |
| 41 – Bonny Doon | | 9803 | 03/28/07 | 25 | 1 | M |
| 41 – Santa Cruz | | 9803 | 03/28/07 | 17 | 0 | |
| 42 – Davenport/Bonny Doon | | 9806 | 03/28/07 | 45 | 1 | M |
| 53 – Capitola/Dominican | | 2217 | 02/14/07 | 26 | 0 | |

Table of Results

| <u>ROUTE</u> | <u>OP #</u> | <u>BUS #</u> | <u>DATE</u> | <u>CALLS MADE</u> | <u>CALLS MISSED</u> | <u>NOTES</u> |
|--------------------------------------|-------------|--------------|-------------|-------------------|---------------------|--------------|
| 55 – Rio Del Mar | | 9816 | 02/26/07 | 52 | 2 | M |
| 55 – Rio Del Mar | | 2218 | 03/27/07 | 34 | 0 | |
| 56 – Cabrillo/La Selva | | 2216 | 03/26/07 | 21 | 0 | |
| 56 – Capitola Mall | | 2216 | 03/26/07 | 10 | 0 | |
| 66 – 17 th Ave/Cap Mall | | 2217 | 01/18/07 | 30 | 1 | M |
| 66 – 17 th Ave/Santa Cruz | | 9829 | 01/18/07 | 31 | 0 | |
| 68 to Capitola Mall | | 9818 | 02/23/07 | 28 | 2 | M |
| 68 to Capitola Mall | | 2218 | 02/26/07 | 30 | 2 | M |
| 68 to Santa Cruz | | 2216 | 01/16/07 | 28 | 0 | |
| 68 to Santa Cruz | | 9810 | 03/26/07 | 28 | 0 | |
| 69 – Cap Mall via Cap Rd | | 9808 | 02/14/07 | 20 | 0 | |
| 69 – Cap Mall via Cap Rd | | 2238 | 03/26/07 | 20 | 0 | |
| 69 – Santa Cruz | | 2210 | 02/23/07 | 18 | 0 | |
| 68 – Santa Cruz | | 9808 | 02/26/07 | 18 | 0 | |
| 68 – Santa Cruz | | 2218 | 03/27/07 | 18 | 0 | |
| 69A – Cap Rd/SC | | 9811 | 02/21/07 | 35 | 2 | M |
| 69A – Cap Rd/Watsonville | | 9803 | 02/21/07 | 39 | 1 | M |
| 69W – Cabrillo/SC | | 9813 | 01/16/07 | 19 | 0 | |
| 69W – Cabrillo/SC | | 2236 | 01/25/07 | 36 | 1 | M |
| 69W – Cabrillo/SC | | 9817 | 03/16/07 | 37 | 0 | |
| 69W – Cabrillo/Watsonville | | 9816 | 02/11/07 | 40 | 0 | |
| 69W – Cabrillo/Watsonville | | 2222 | 03/13/07 | 36 | 4 | M |
| 69W – Cabrillo/Watsonville | | 2223 | 03/16/07 | 40 | 0 | |
| 70 – Cabrillo | | 9824 | 01/10/07 | 29 | 0 | |
| 70 – Santa Cruz | | 9825 | 02/14/07 | 13 | 0 | |
| 71 – Clifford/Santa Cruz | | 8077 | 01/10/07 | 29 | 0 | |
| 71 – Clifford/Santa Cruz | | 9829 | 02/01/07 | 29 | 0 | |
| 71 – Clifford/Santa Cruz | | 2231 | 02/17/07 | 73 | 0 | |
| 71 – Clifford/Watsonville | | 2230 | 01/16/07 | 24 | 0 | |
| 71 – Clifford/Watsonville | | 2225 | 02/17/07 | 74 | 0 | |
| 71 – Crestview/Santa Cruz | | 2225 | 02/11/07 | 67 | 2 | M |
| 71 – Crestview/Santa Cruz | | 2228 | 03/13/07 | 68 | 1 | M |
| 71 – Crestview/Watsonville | | 2225 | 01/16/07 | 40 | 0 | |
| 71 – Crestview/Watsonville | | 2228 | 01/25/07 | 68 | 1 | M |
| 71 – Crestview/Watsonville | | 2225 | 02/01/07 | 29 | 0 | |
| 72 – Corralitos | | 9803 | 03/16/07 | 53 | 1 | M |
| 74 – Ohlone/Rolling Hills | | 2228 | 03/29/07 | 28 | 0 | |
| 75 – Green Valley | | 2221 | 03/29/07 | 42 | 0 | |
| 79 – East Lake | | 2224 | 03/29/07 | 19 | 1 | M |

SUMMARY OF THE CALL STOP QUARTERLY AUDIT RESULTS

| | Apr-Jun 2004 | Jul-Sep 2004 | Oct-Dec 2004 | Jan-Mar 2005 | Apr-Jun 2005 | Jul-Sep 2005 | Dec 2005- Feb 2006 | Apr-Jun 2006 | Jul-Sept 2006 | Oct-Dec 2006 | Jan- March 2007 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------|-----------------|------------------|-----------------|-----------------------|
| Call Stops Surveyed | 3,223 | 2,855 | 2,294 | 3,521 | 3,061 | 2,420 | 3,297 | 2,747 | 2,535 | 2,777 | 2461 |
| Call Stops Announced | 3,165 | 2,842 | 2,258 | 3,490 | 3,003 | 2,367 | 3,258 | 2,693 | 2,491 | 2,755 | 2430 |
| Call Stops Not Announced | 58 | 11 | 36 | 31 | 58 | 53 | 39 | 54 | 44 | 22 | 31 |
| Percent of Call Stops Completed | 98.2% | 99.6% | 98.4% | 99.1% | 98.1% | 97.8% | 98.8% | 98% | 98.3% | 99.2% | 98.7% |
| % of Call Stops Not Completed | 1.8% | .4% | 1.6% | .9% | 1.9% | 2.2% | 1.2% | 2% | 1.7% | .8% | 1.3% |

16.61

Attachment B

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: April 27, 2007

TO: Board of Directors

FROM: Leslie R. White, General Manager

SUBJECT: CONSIDERATION OF CONTINUING SPONSORSHIP OF LEADERSHIP SANTA CRUZ COUNTY IN ORDER TO PROVIDE EDUCATION ON TRANSPORTATION ISSUES, SERVICES, AND FACILITIES.

I. RECOMMENDED ACTION

That the Board of Directors approve METRO continuing to be a sponsor of the Leadership Santa Cruz County Program, providing information regarding public transit services and facilities to the class Members, and providing a bus on May 11, 2007 for a tour of various facilities and activities.

II. SUMMARY OF ISSUES

- The Leadership Santa Cruz County program provides information regarding activities throughout the County for a class of approximately 50 individuals annually.
- In 2005 and 2006 the Board of Directors approved METRO becoming a sponsor of the Leadership Santa Cruz County Program by providing information regarding services and facilities, and by providing a bus for one day to tour various facilities and view activities.
- The Leadership Santa Cruz County staff has again requested that METRO continue to be a sponsor of the program by providing information to members of the class and by providing a bus for a tour of various facilities on May 11, 2007.
- Prior to 2005 METRO had not participated in providing information to the Leadership Santa Cruz County classes nor sponsored the program.
- The cost of becoming a sponsor of Leadership Santa Cruz County would be the cost of providing the bus for the facilities tour on May 11, 2007, which is estimated to be approximately \$500.
- Staff recommends that the Board of Directors approve the request from Leadership Santa Cruz County staff.

III. DISCUSSION

The Leadership Santa Cruz County Program provides information about, and orientation to, various programs and facilities annually for approximately 50 individuals from the community. Many of these individuals hold key leadership positions in the community.

In 2005 METRO received a request for program sponsorship from Gary W. Smith, Executive Director of Leadership Santa Cruz County. The requested sponsorship was in the form of providing a bus for a tour of facilities, and a presentation by METRO of information about the system, services, facilities and projects. The Board of Directors approved the sponsorship request and the event was very successful. Leadership Santa Cruz County has again requested for 2007 that METRO continue to be a sponsor of the program by providing the same support, including the bus, as last year. A copy of the request letter from Gary W. Smith is attached to this Staff Report. Participating in the Leadership Santa Cruz County program provides an opportunity to orient individuals regarding the benefits of a strong public transit system.

Staff recommends that the Board of Directors approve the request to continue sponsorship of Leadership Santa Cruz Count, including the provision of a bus for a tour of facilities and activities on May 11, 2007.

IV. FINANCIAL CONSIDERATIONS

The cost of becoming a sponsor of the Leadership Santa Cruz County program through providing a bus for a facilities tour on May 11, 2007 would be approximately \$500 plus presentation materials.

V. ATTACHMENTS

Attachment A: Letter from Gary W. Smith, April 4, 2007



Attachment A

April 4, 2007

APR 11 2007

SPECIAL CORPORATE SPONSORS

- Bay Federal Credit Union
- Big Creek Lumber Company
- Coast Commercial Bank
- Driscoll Strawberry Associates
- ICG Investment Consulting Group, LLC
- Pajaro Valley Prevention & Student Assistance
- Santa Cruz Medical Clinic & Foundation
- Santa Cruz Seaside Company
- Waste Management Inc.
- Watsonville Community Hospital

PROGRAM SUPPORTERS

- Apex Adventures
- Apotos Chamber of Commerce
- Beckmann's Old World Bakery
- Cabrillo College
- Capitola Chamber of Commerce
- Coast Commercial Bank
- Community Bridges
- Cruzio, the Internet Store
- Dominican Hospital
- Mount Hermon Christian Conference Center
- Pajaro Valley Chamber of Commerce
- RMC Pacific Materials
- Santa Cruz Chamber of Commerce
- Santa Cruz Community Credit Union
- Scouts Valley Chamber of Commerce
- ToucanEd
- University of California, Santa Cruz

Les White, General Manager
 Santa Cruz County Metropolitan Transit District
 370 Encinal St.
 Santa Cruz, CA 95060

Dear Les,

Thank you for considering this request from Leadership Santa Cruz County to host a bus trip for about 50 Leadership class members. We will be visiting a number of agricultural locations on this tour. As we travel from venue to venue I would like to have you and/or your representative highlight Transit District operations in Santa Cruz County. My hope is to encourage more support and rider-ship for the bus system in Santa Cruz County. We are also interested in hearing more about the Highway 17 Express bus and connections with other county transportation systems (Monterey County and Santa Clara County transit systems). Your leadership challenges and future plans for the Transit District system in Santa Cruz County would also be welcomed topics.

The day of the event is Friday, May 11, 2007. We would like to meet at 10:00 AM at the Santa Cruz County Fairgrounds and return at 4:00 PM.

Thank you again for considering our request; we sincerely appreciate your support and would be willing to give you a free admission to our next class year. Please contact me at 724-7665 should you have any questions or if you or your designate choose to participate in LSCC for Class 23.

Sincerely,

Gary W. Smith
 Executive Director,
 Leadership Santa Cruz County

LEADERSHIP SANTA CRUZ COUNTY

270 EVENING HILL LANE, WATSONVILLE, CA 95076

PHONE AND FAX: (831) 724-7665 E-MAIL: LEADERSHIPSCC@CRUZIO.COM

WWW.LEADERSHIPSCC.ORG

17.a1

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: April 27, 2007
TO: Board of Directors
FROM: Leslie R. White, General Manager
SUBJECT: CONSIDERATION OF AN AGREEMENT THE CITY OF WATSONVILLE FOR THE PROVISION OF SHUTTLE SERVICE BETWEEN THE WATSONVILLE TRANSIT CENTER AND PALM BEACH.

I. RECOMMENDED ACTION

That the Board of Directors authorize the General Manager to enter into an Agreement with the City of Watsonville to provide shuttle service between the Watsonville Transit Center and Palm Beach.

II. SUMMARY OF ISSUES

- The City of Watsonville is requesting the provision of shuttle service between the Watsonville Transit Center and Palm Beach to assist in alleviating traffic congestion.
- The requested shuttle service would operate July 1&4, 2007 and September 2&3, 2007.
- The estimated variable operating cost per hour for METRO is \$71.40 for next fiscal year.
- The City of Watsonville has indicated that it will pay the operating cost for the shuttle service at the estimated \$71.40 per hour rate.
- The specific frequencies and route would be determined by METRO in consultation with the City of Watsonville.
- The shuttle service would be operated on a “fare free” basis.

III. DISCUSSION

The City of Watsonville has indicated that it would like to implement measures that would alleviate traffic congestion in the Palm Beach area during the 4th of July and Labor Day Holidays. The City of Watsonville has transmitted a formal request to METRO indicating that they would like to sponsor a shuttle between the Watsonville Transit Center and Palm Beach. The proposed dates for the shuttle service would be July 1&4, 2007 and September 2&3, 2007. The hours of operation for the shuttle would be 11:00 am –7:00 pm for both sets of dates. The estimated variable operating cost at METRO is \$71.40 per hour for next fiscal year. The City of Watsonville has indicated that it will pay the \$71.40 per hour cost for the shuttle service. The shuttle service would be provided on a “fare free” basis to encourage use. The frequency and

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route of the proposed shuttle service would be determined by METRO in consultation with the City of Watsonville.

Staff recommends that the Board of Directors approve the request for shuttle service from the City of Watsonville and authorize the General Manager to sign a Letter of Agreement with the City of Watsonville.

IV. FINANCIAL CONSIDERATIONS

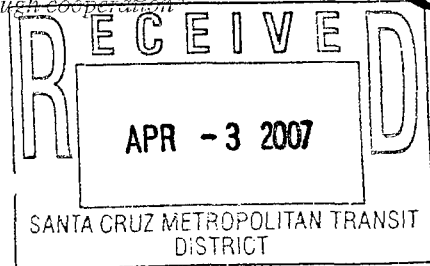
The City of Watsonville will reimburse METRO for the variable cost at an estimated rate of \$71.40 per hour.

V. ATTACHMENTS

Attachment A: Letter from the City of Watsonville, April 2, 2007.

CITY OF WATSONVILLE

"Opportunity through diversity; unity through cooperation"



ADMINISTRATION BUILDING

215 Union Street
Second Floor
Fax 831.761.0736

MAYOR & CITY COUNCIL

215 Union Street
831.768.3008

CITY MANAGER
831.768.3010

CITY ATTORNEY
831.768.3030

CITY CLERK
831.768.3040

PERSONNEL
831.768.3020

CITY HALL OFFICES

250 Main Street

COMMUNITY DEVELOPMENT
831.768.3050

Fax 831.728.6173

FINANCE
831.768.3450

Fax 831.763.4066

PUBLIC WORKS & UTILITIES
831.768.3100

Fax 831.763.4065

PURCHASING
831.768.3461

Fax 831.763.4066

REDEVELOPMENT & HOUSING
831.768.3080

Fax 831.763.4114

AIRPORT

100 Aviation Way
831.768.3480

Fax 831.763.4058

FIRE

115 Second Street
831.768.3200

Fax 831.763.4054

LIBRARY

310 Union Street
831.768.3400

Fax 831.763.4015

PARKS & COMMUNITY SERVICES

30 Maple Avenue
831.768.3240

Fax 831.763.4078

April 2, 2007

Mr. Les White, General Manager
SCMTD
370 Encinal Street, Suite 100
Santa Cruz, CA 95060

RE: Shuttle to Palm Beach

Dear Les,

The City of Watsonville, in conjunction with Pájaro Dunes Association, would like to request shuttle service for the following dates:

July 1 & 4, 2007 (Sunday and Wednesday) from 11:00 a.m. to 7:00 p.m.
September 2 & 3, 2007 (Sunday & Monday) from 11:00 a.m. to 7:00 p.m.

The shuttle would operate between the Watsonville Transit Center and Palm Beach, with one or two stops at designated "Park and Ride" lots along the way.

It is anticipated that the cost of this service will be approximately \$71.40 (max.) per hour, and the Pájaro Dunes Association and Pájaro Dunes North Association have agreed to pay for the shuttle (see attached letter). The shuttle would be a free service to the riders.

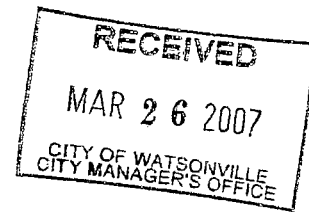
If you have any questions, please do not hesitate to contact me at 768-3012.

Sincerely,
[Signature]
Marcela Tavantzis, P.E.
Assistant City Manager



Pájaro Dunes Association

2661 Beach Road • Watsonville, CA 95076
gatehouse@pajarodunesassociation.com
(831) 761-7744



March 22, 2007

Ms. Marcela Tavantzis
City of Watsonville
215 Union Street
Watsonville, CA 95076

Dear Marcela:

Thank you for again working with us to alleviate parking problems and make the beach more accessible for Watsonville residents. The local beach is such a great resource and a beautiful spot that locals should have easy and affordable access.

I appreciate your willingness to arrange for a Metropolitan Transit District bus. Pajaro Dunes Association and Pajaro Dunes North Association agree to underwrite the cost of a shuttle bus on four days during the summer of 2007. As I understand it the cost the bus, fuel, and the driver has increased from the \$64 per hour that we paid last year. Please let me know the current rate when you have time. We will find sponsors to help with the expense, but agree to pay for everything that is unfunded by sponsors.

State Parks personnel reported that Sundays and the actual holidays are the heaviest used days in the parks. We recommend Sunday July 1, Wednesday July 4, Sunday September 2, and Monday September 3 from 11:00 a.m. until 7:00 p.m. I am open to additional input about the hours of operation.

Please let me know if anything more is needed in order for you to arrange for the shuttle bus.

Sincerely,

Carol Turley
Manager

Pajaro Dunes Association
cc Greg Feaster, Kay Bowden

18.a2

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: April 27, 2007

TO: Board of Directors

FROM: Tom Stickel, Manager of Maintenance

SUBJECT: CONSIDERATION OF AWARD OF CONTRACTS FOR SUPPLEMENTAL PARATRANSIT SERVICE WITH SANTA CRUZ TRANSPORTATION, LLC AND WATSONVILLE TRANSPORTATION, INC.

I. RECOMMENDED ACTION

District Staff recommends that the Board of Directors authorize the General Manager to execute a contract for Supplemental Paratransit Service with Santa Cruz Transportation, LLC and Watsonville Transportation, Inc.

II. SUMMARY OF ISSUES

- A competitive procurement was conducted to solicit proposals from qualified firms.
- Two firms submitted proposals for the District's review.
- A four-member evaluation committee comprised of District staff reviewed and evaluated the proposals.
- The evaluation committee is recommending that contracts be established with Santa Cruz Transportation, LLC and Watsonville Transportation, Inc. to provide supplemental Paratransit service.

III. DISCUSSION

The Santa Cruz Metropolitan Transit District requires the services of qualified contractors to provide supplemental paratransit "ParaCruz" services. The Contractor will be responsible for dispatching and performing ParaCruz trips in a manner consistent with the Americans with Disabilities Act of 1990 Department of Transportation Regulations, and with SCMTD policies and procedures. The Contractor will be responsible for the delivering, tracking, monitoring, and reporting of all paratransit service performed or attempted.

On February 21, 2007, District Request for Proposal No. 06-08 was mailed to several firms and was legally advertised. On April 4, 2007, proposals were received and opened from two firms. These firms are listed in Attachment A. A four-member evaluation committee comprised of

District staff (Ciro Aguirre, Steve Paulson, Wally Brondstatter, and Lloyd Longnecker) have reviewed and evaluated the proposals.

The evaluation committee used the following criteria as contained in the Request for Proposals:

| Evaluation Criteria | Points Possible |
|-----------------------|-----------------|
| Technical Proposal | 25 |
| Cost | 25 |
| Qualifications | 20 |
| Experience | 20 |
| References | 10 |
| Total Points Possible | 100 |

The evaluation committee is recommending that the Board of Directors authorize the General Manager to execute contracts with both Santa Cruz Transportation, LLC and Watsonville Transportation, Inc. to provide supplemental Paratransit services. Multiple contractors are being selected to provide ParaCruz service to ensure maximum flexibility and cost containment. Both contractors will provide services meeting all District specifications and requirements.

IV. FINANCIAL CONSIDERATIONS

Funding for these contracts is contained in the ParaCruz Operating Budget. A total budget of \$200,000 is available for this service.

V. ATTACHMENTS

Attachment A: Contract with Santa Cruz Transportation, LLC

Attachment B: Contract with Watsonville Transportation, Inc.

Note: The RFP along with its Exhibits and any Addendum(s) are available for review at the Administration Office of METRO or online at www.scmttd.com

CONTRACT FOR SUPPLEMENTAL PARATRANSIT SERVICES (06-08)

THIS CONTRACT is made effective on May 1, 2007 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("District"), and SANTA CRUZ TRANSPORTATION, LLC ("Contractor").

1. RECITALS

1.01 District's Primary Objective

District is a public entity whose primary objective is providing public transportation and has its principal office at 370 Encinal Street, Suite 100, Santa Cruz, California 95060.

1.02 District's Need for Supplemental Paratransit Services

District has the need for Supplemental Paratransit Services. In order to obtain these services, the District issued a Request for Proposals, dated February 21, 2007, setting forth specifications for such services. The Request for Proposals is attached hereto and incorporated herein by reference as Exhibit "A".

1.03 Contractor's Proposal

Contractor is a firm/individual qualified to provide Supplemental Paratransit Services and whose principal place of business is located in Santa Cruz, California. Pursuant to the Request for Proposals by the District, Contractor submitted a proposal for Supplemental Paratransit Services, which is attached hereto and incorporated herein by reference as Exhibit "B."

1.04 Selection of Contractor and Intent of Contract

On April 27, 2007, District selected Contractor as the offeror whose proposal was most advantageous to the District, to provide Supplemental Paratransit Services described herein. This Contract is intended to fix the provisions of these services.

District and Contractor agree as follows:

2. INCORPORATED DOCUMENTS AND APPLICABLE LAW

2.01 Documents Incorporated in this Contract

The documents below are attached to this Contract and by reference made a part hereof. This is an integrated Contract. This writing constitutes the final expression of the parties' contract, and it is a complete and exclusive statement of the provisions of that Contract, except for written amendments, if any, made after the date of this Contract in accordance with Section 13.14.

A. Exhibit "A"

Santa Cruz Metropolitan Transit District's "Request for Proposals" dated February 21, 2007 including Addendum No. 1 dated March 13, 2007.

B. Exhibit "B" (Contractor's Proposal)

Contractor's Proposal to the District for Supplemental Paratransit Services, signed by Contractor and dated April 4, 2007.

2.02 Conflicts

Where in conflict, the provisions of this writing supersede those of the above-referenced documents, Exhibits "A" and "B". Where in conflict, the provisions of Exhibit "A" supercede Exhibit "B".

2.03 Recitals

The Recitals set forth in Article 1 are part of this Contract.

3. DEFINITIONS

3.01 General

The terms below (or pronouns in place of them) have the following meaning in the contract:

3.01.01 CONTRACT - The Contract consists of this document, the attachments incorporated herein in accordance with Article 2, and any written amendments made in accordance with Section 13.14.

3.01.02 CONTRACTOR - The Contractor selected by District for this project in accordance with the Request for Proposals issued February 21, 2007.

3.01.03 CONTRACTOR'S STAFF - Employees of Contractor.

3.01.04 DAYS - Calendar days.

3.01.05 OFFEROR - Contractor whose proposal was accepted under the terms and conditions of the Request for Proposals issued February 21, 2007.

3.01.06 PROVISION - Any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulation in the contract that defines or otherwise controls, establishes, or limits the performance required or permitted by either party.

3.01.07 SCOPE OF WORK (OR "WORK") - The entire obligation under the Contract, including, without limitation, all labor, equipment, materials, supplies, transportation, services, and other work products and expenses, express or implied, in the Contract.

4. TIME OF PERFORMANCE

4.01 Term

The term of this Contract will be for a period not to exceed one (1) year and shall commence upon the issuance of the contract by the District.

At the option of the District, this contract agreement may be renewed for four (4) additional one (1) year terms upon mutual written consent.

5. COMPENSATION

5.01 Terms of Payment

District shall compensate Contractor in an amount not to exceed the amounts/rates agreed upon by the District. District shall reasonably determine whether work has been successfully performed

for purposes of payment. Compensation shall be made within forty-five (45) days of District written approval of Contractor's written invoice for said work. Contractor understands and agrees that if he/she exceeds the \$200,000 maximum amount payable under this contract, that it does so at its own risk.

5.02 Invoices

Contractor shall submit invoices with a purchase order number provided by the District on a monthly basis. Contractor's invoices shall include detailed records showing actual time devoted, work accomplished, date work accomplished, personnel used, and amount billed per hour. Expenses shall only be billed if allowed under the Contract. Telephone call expenses shall show the nature of the call and identify location and individual called. Said invoice records shall be kept up-to-date at all times and shall be available for inspection by the District (or any grantor of the District, including, without limitation, any State or Federal agency providing project funding or reimbursement) at any time for any reason upon demand for not less than four (4) years after the date of expiration or termination of the Contract. Under penalty of law, Contractor represents that all amounts billed to the District are (1) actually incurred; (2) reasonable in amount; (3) related to this Contract; and (4) necessary for performance of the project.

6. NOTICES

All notices under this Contract shall be deemed duly given upon delivery, if delivered by hand; or three (3) days after posting, if sent by registered mail, receipt requested; to a party hereto at the address hereunder set forth or to such other address as a party may designate by notice pursuant hereto.

DISTRICT

Santa Cruz Metropolitan Transit District
370 Encinal Street
Suite 100
Santa Cruz, CA 95060
Attention: General Manager

CONTRACTOR

Santa Cruz Transportation, LLC
2964 Soquel Ave
Santa Cruz CA 95062
Attention: Owner

7. AUTHORITY

Each party has full power and authority to enter into and perform this Contract and the person signing this Contract on behalf of each has been properly authorized and empowered to enter into this Contract. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it.

Signed on _____

DISTRICT
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR
SANTA CRUZ TRANSPORTATION, LLC

By _____
James Monroe
Owner

Approved as to Form:

Margaret Rose Gallagher
District Counsel

EXHIBIT -A-

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Request for Proposals (RFP)
For Supplemental Paratransit Services
District RFP No. 06-08

Date Issued: February 21, 2007
Proposal Deadline: 5:00 P.M., April 4, 2007



Contents of this RFP

| | |
|--------------|---|
| Part I. | Instructions to Offerors |
| Part II. | General Information Form |
| Part III. | Specifications |
| Part IV. | General Conditions |
| Part V. | Contract/Agreement |
| Part VI. | FTA Requirements for Non-Construction Contracts |
| Part VII. | Protest Procedures |
| Attachment 1 | Metro ParaCruz Customer's Guide |
| Attachment 2 | Metro ParaCruz Policies and Procedures |
| Attachment 3 | Contract Performance and Service Standards |

PART I
INSTRUCTIONS TO OFFERORS

1. **GENERAL:** These instructions form a part of the contract documents and shall have the same force as any other portion of the contract. Failure to comply may subject the proposal to immediate rejection.
2. **OFFEROR RESPONSIBILITY:** The District has made every attempt to provide all information needed by offerors for a thorough understanding of project terms, conditions, and requirements. It is expressly understood that it is the responsibility of offerors to examine and evaluate the work required under this RFP and the terms and conditions under which the work is performed. By submitting a proposal, Offeror represents that it has investigated and agrees to all terms and conditions of this RFP.
3. **DELIVERY OF PROPOSALS TO THE DISTRICT:** Proposals (1 original and 4 copies) must be delivered to the District Purchasing Office, 110 Vernon Street, Suite B, Santa Cruz, California, 95060 on or before the deadline noted in the RFP.

Any contract or purchase order entered into as a result of this RFP shall incorporate the RFP and the proposal submitted by successful offeror. In the event of conflict between the proposal and any other contract document, the other contract document shall prevail unless specified otherwise by the District. Telephone or electronic proposals will not be accepted.

4. **LATE PROPOSALS:** Proposals received after the date and time indicated herein shall not be accepted and shall be returned to the Offeror unopened.

Requests for extensions of the proposal closing date or time will not be granted. Offerors mailing proposals should allow sufficient mail time to ensure timely receipt of their proposals before the deadline, as it is the offerors responsibility to ensure that proposals arrive before the closing time.

5. **MULTIPLE PROPOSALS:** An offeror may submit more than one proposal. At least one of the proposals shall be complete and comply with all requirements of this RFP. However, additional proposals may be in abbreviated form, using the same format, but providing only the information that differs in any way from the information contained in the master proposal. Master proposals and alternate proposals should be clearly labeled.
6. **PARTIAL PROPOSALS:** No partial proposals shall be accepted.
7. **WITHDRAWAL OR MODIFICATION OF PROPOSALS:** Proposals may not be modified after the time and date proposals are opened. Proposals may be withdrawn by Offeror before proposal opening upon written request of the official who is authorized to act on behalf of the Offeror.
8. **CHANGES TO THE RFP RECOMMENDED BY OFFERORS:** All requests for clarification or modification of the RFP shall be made in writing. Offerors are required to provide the value of each proposed modification and a brief explanation as to why the change is requested. Value shall be defined as the cost or savings to the District and the advantage to the District of the proposed change.
9. **ADDENDA:** Modifications to this RFP shall be made only by written addenda issued to all RFP holders of record. Verbal instructions, interpretations, and changes shall not serve as official expressions of the District, and shall not be binding. All cost adjustments or other changes resulting from said addenda shall be taken into consideration by offerors and included in their proposals. Signed acknowledgment of receipt of each addendum must be submitted with each proposal.
10. **OFFEROR'S PROPOSAL TO THE DISTRICT:** Offerors are expected to thoroughly examine the scope of work and terms and conditions of the RFP. Offerors' terms, conditions, and prices shall constitute a firm offer.

to the District that cannot be withdrawn by the Offeror for ninety (90) calendar days after the closing date for proposals, unless a longer time period is specified by the District in the RFP. Offerors shall identify all proprietary information in their proposals. Information identified as proprietary shall not be made available to the public or other offerors

11. **SINGLE OFFEROR RESPONSIBILITY:** Single Offeror responsibility is required under this RFP. Each Offeror responding to this RFP must respond to all professional services and provide all materials, equipment, supplies, transportation, freight, special services, and other work described or otherwise required herein.
12. **EXPERIENCE AND QUALIFICATIONS:** Offeror may be required upon request of the District to substantiate that Offeror and its proposed subcontractors have the skill, experience, licenses, necessary facilities, and financial resources to perform the contract in a satisfactory manner and within the required time.
13. **SUBCONTRACTING:** The requirement for single-point responsibility does not prohibit subcontracts or joint ventures provided that the single successful Offeror assumes the following responsibilities: (1) serves as the sole general contractor with the District; (2) assumes full responsibility for the performance of all its subcontractors, joint venturers, and other agents; (3) provides the sole point of contact for all activities through a single individual designated as project manager; (4) submits information with its proposal documenting the financial standing and business history of each subcontractor or joint venturer; and, (5) submits copies of all subcontracts and other agreements proposed to document such arrangement

Without limiting the foregoing, any such legal documents submitted under item "5" above must (a) make the District a third-party beneficiary thereunder; (b) grant to the District the right to receive notice of and cure any default by the successful offeror under the document; and (c) pass through to the District any and all warranties and indemnities provided or offered by the subcontractor or similar party.

14. **EVALUATION CRITERIA AND AWARD OF CONTRACT:** The award of the contract will be made to the responsible Offeror whose proposal is most advantageous to the District. Specific evaluation criteria are identified in the Specifications section of the RFP.
15. **DISTRICT'S PREROGATIVE:** The District reserves the right to contract with any single firm or joint venture responding to this RFP (without performing interviews), based solely upon its evaluation and judgment of the firm or joint venture in accordance with the evaluation criteria. This RFP does not commit the District to negotiate a contract, nor does it obligate the District to pay for any costs incurred in preparation and submission of proposals or in submission of a contract.

The District reserves and holds at its discretion the following rights and options in addition to any others provided by the Public Utility Code, Section 98000 and the Public Contract Code: (1) to reject any or all of the proposals; (2) to issue subsequent requests for proposals; (3) to elect to cancel the entire request for proposals; (4) to waive minor informalities and irregularities in proposals received; (5) to enter into a contract with any combination of one or more prime contractors, subcontractors, or service providers; (6) to approve or disapprove the use of proposed subcontractors and substitute subcontractors; (7) to negotiate with any, all, or none of the respondents to the RFP.

16. **EXECUTION OF CONTRACT:** The final contract shall be executed by the successful offeror and returned to the District Administrative Office no later than ten (10) calendar days after the date of notification of award by the District. All required bonds and insurance certificates shall also be submitted by this deadline. In the event successful offeror does not submit any or all of the aforementioned documents on or before the required deadline, the District may award the contract to another offeror; in such event, District shall have no liability and said party shall have no remedy of any kind against the District.
17. **DISADVANTAGED AND WOMEN'S BUSINESS ENTERPRISES:** The Board of Directors of the Santa Cruz Metropolitan Transit District has adopted a Disadvantaged Business Enterprise Policy to promote the participation of disadvantaged business enterprises (DBE) in all areas of District contracting to the maximum extent practicable. Consistent with the DBE Policy, the successful offeror selected for this project shall take all

necessary and reasonable steps to ensure that DBE firms have the maximum practicable opportunity to participate in the performance of this project and any subcontracting opportunities thereof.

- 18 NONDISCRIMINATION: The Santa Cruz Metropolitan Transit District will not discriminate with regard to race, color, creed, ancestry, national origin, religion, sex, sexual preference, marital status, age, medical condition or disability in the consideration for award of contract.

***ADDITIONAL INSTRUCTIONS TO OFFERORS ARE SET FORTH IN
OTHER SECTIONS OF THIS REQUEST FOR PROPOSALS***

PART II

GENERAL INFORMATION FORM

SUPPLEMENTAL PARATRANSIT SERVICES RFP No. 06-08
(To be completed by the offeror and placed at the front of your proposal)

Legal Name of Firm Date

Firm's Address

Telephone Number FAX Number

Type of Organization (Partnership, Corporation, etc.) Tax ID Number

Offeror understands and agrees that, by his/her signature, if awarded the contract for the project, he/she is entering into a contract with the District that incorporates the terms and conditions of the entire Request for Proposals package, including the General Conditions section of the Request for Proposals. Offeror understands that this proposal constitutes a firm offer to the District that cannot be withdrawn for ninety (90) calendar days from the date of the deadline for receipt of proposals. If awarded the contract, offeror agrees to deliver to the District the required insurance certificates within ten (10) calendar days of the Notice of Award.

Signature of Authorized Principal

Name of Principal-in-Charge and Title

Name of Project Manager and Title

Name, Title, Email Address and Phone Number of Person To Whom Correspondence Should be Directed

Addresses Where Correspondence Should Be Sent

Areas of Responsibility of Prime Contractor

Listing of major sub consultants proposed (if applicable), their phone numbers, and areas of responsibility (indicate which firms are DBE's):

**CERTIFICATION OF PROPOSED CONTRACTOR REGARDING DEBARMENT,
SUSPENSION AND OTHER INELIGIBILITY AND VOLUNTARY EXCLUSION**

(Contractor) _____ certifies to the best of its knowledge and belief, that it and its principals:

Are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal department or agency;

Have not within a three year period preceding this bid been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;

Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and

Have not within a three year period preceding this bid had one or more public transactions (Federal, State or local) terminated for cause or default

If the Proposed Subcontractor is unable to certify to any of the statements in this certification, it shall attach an explanation to this certification.

(Contractor) _____, CERTIFIES OR AFFIRMS THE TRUTHFULNESS AND ACCURACY OF THE CONTENTS OF THE STATEMENTS SUBMITTED ON OR WITH THIS CERTIFICATION AND UNDERSTANDS THAT THE PROVISIONS OF 31 U.S.C. SECTIONS 3801 ET. SEQ ARE APPLICABLE THERETO

Signature and Title of Authorized Official

LOBBYING CERTIFICATION
(Only for Contracts above \$100,000)

Lobbying Certification for Contracts Grants, Loans and Cooperative Agreements (Pursuant to 49 CFR Part 20, Appendix A)

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal Contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal Contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form--LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions and as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96).
- (3) The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and Contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Bidder/Offeror certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Bidder/Offeror understands and agrees that the provisions of 31 U.S.C. A 3801, et seq apply to this certification and disclosure, if any.

Firm Name _____

Signature of Authorized Official _____

Name and Title of Authorized Official _____

Date _____

BUY AMERICA PROVISION
(Only for Contracts above \$100,000)

This procurement is subject to the Federal Transit Administration Buy America Requirements in 49 CFR part 661.

A Buy American Certificate, as per attached format, must be completed and submitted with the bid. A bid which does not include the certificate will be considered non-responsive.

A false certification is a criminal act in violation of 18 U.S.C. 1001. Should this procurement be investigated, the successful bidder/proposer has the burden of proof to establish that it is in compliance.

A waiver from the Buy America Provision may be sought by METRO if grounds for the waiver exist.

Section 165(a) of the Surface Transportation Act of 1982 permits FTA participation on this contract only if steel and manufactured products used in the contract are produced in the United States.

BUY AMERICA CERTIFICATE

The bidder hereby certifies that it will comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Assistance Act of 1982, and the applicable regulations in 49 CFR Part 661.

Date: _____

Signature: _____

Company Name: _____

Title: _____

OR

The bidder hereby certifies that it cannot comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Act of 1982, but may qualify for an exception to the requirement pursuant to Section 165(b)(2) or (b)(4) of the Surface Transportation Assistance Act of 1982, as amended, and regulations in 49 CFR 661.7.

Date: _____

Signature: _____

Company Name: _____

Title: _____

CONTRACTOR DBE INFORMATION

CONTRACTOR'S NAME _____
 DBE GOAL FROM CONTRACT _____ %
 FED. NO. _____
 COUNTY _____
 AGENCY _____
 CONTRACT NO. _____

CONTRACTOR'S ADDRESS _____

 PROPOSAL AMOUNT \$ _____
 PROPOSAL OPENING DATE _____
 DATE OF DBE CERTIFICATON _____
 SOURCE ** _____

This information must be submitted during the initial negotiations with the District. By submitting a proposal, offeror certifies that he/she is in compliance with the District's policy. Failure to submit the required DBE information by the time specified will be grounds for finding the proposal non-responsive.

| CONTRACT ITEM NO. | ITEM OF WORK AND DESCRIPTION OF WORK OR SERVICES TO BE SUBCONTRACTED OR MATERIALS TO BE PROVIDED * | CERTIFICATION FILE NUMBER | NAME OF DBE | DOLLAR AMOUNT DBE *** | PERCENT DBE |
|----------------------|--|------------------------------|-------------|-----------------------------|----------------|
| | | | | | |

TOTAL CLAIMED DBE
 PARTICIPATION \$ _____ %

 SIGNATURE OF CONTRACTOR

 DATE

 AREA CODE/TELEPHONE

(Detach from proposal if DBE information is not submitted with proposal.)

- * If 100% of item is not to be performed or furnished by DBE, describe exact portion, including plan location of work to be performed, of item to be performed or furnished by DBE.
- ** DBE's must be certified on the date proposals are opened.
- *** Credit for a DBE supplier who is not a manufacturer is limited to 60% of the amount paid to the supplier.

NOTE: Disadvantaged business must renew their certification annually by submitting certification questionnaires in advance of expiration of current certification. Those not on a current list cannot be considered as certified.

CONTRACTOR DBE INFORMATION

| CONTRACT ITEM NO. | ITEM OF WORK AND DESCRIPTION OF WORK OR SERVICES TO BE SUBCONTRACTED OR MATERIALS TO BE PROVIDED * | CERTIFICATION FILE NUMBER | NAME OF DBE | DOLLAR AMOUNT DBE *** | PERCENT DBE |
|----------------------|--|------------------------------|------------------------------------|-----------------------------|----------------|
| | | | TOTAL CLAIMED DBE PARTICIPATION | \$ _____ | _____ % |

PART III

SPECIFICATIONS FOR SUPPLEMENTAL PARATRANSIT SERVICES

1. INTRODUCTION

1.1 PURPOSE OF THIS REQUEST FOR PROPOSALS

The Santa Cruz Metropolitan Transit District is seeking an interested, qualified contractor to provide supplemental paratransit services. The Contractor will be responsible for dispatching and performing paratransit trips in a manner consistent with the Americans with Disabilities Act of 1990 Department of Transportation Regulations, and with METRO policies and procedures. The Contractor will be responsible for the delivering, tracking, monitoring, and reporting of all paratransit service performed or attempted.

This project consists of three biddable components. Proposals must include bids for all components.

1. Dedicated vehicles provided by METRO (service hours scheduled by METRO). Four-hour service minimum.
2. Vendor provided vehicle (service hours scheduled by METRO). Four-hour service minimum.
3. Single Meter Rate Vendor provided vehicle (Not pre-scheduled by METRO)

1.2 PROPOSAL PREPARATION - GENERAL CONDITIONS FOR RESPONDING

- 1.2.1 Scope: The following terms and conditions shall prevail unless otherwise modified by District within this proposal document. District reserves the right to reject any proposal that takes exception to these terms and conditions.
- 1.2.2 Completing proposal: All information must be legible. Any and all corrections and/or erasures must be initialed. The proposal cover letter must be signed by an authorized respondent and all required information must be provided. A neatly typed document of reasonable length including the forms provided is preferred. Expenses incurred developing and submitting a proposal are the sole responsibility of the Respondent.
- 1.2.3 Public Document: All proposals and supporting proposal documents become public information after contract award and are available for review by the general public.
- 1.2.4 **Pre-Proposal Conference: A pre-proposal conference is scheduled for 10:00 am, March 2, 2007 at 370 Encinal Street, Santa Cruz, CA 95060.**
- 1.2.5 Conditional proposals: Conditional proposals are subject to rejection in whole or in part.
- 1.2.6 Responsible firms: Nothing herein is intended to exclude any responsible firm or in any way restrain competition. On the contrary, all responsible firms are encouraged to submit proposals.
- 1.2.7 District reserves right: The District reserves the right to accept or reject any or all of the proposals submitted, waive informalities and technicalities, and negotiate any or all elements of the proposals. Upon further analysis of need and analysis of costs resulting from responses to this proposal, the District reserves the right to award or reject any portion(s) of the proposed system.
- 1.2.8 Independent Price Determination: The Respondent certifies by submission of a response to this RFP (proposal) that it has not colluded, conspired, connived, or agreed, directly or indirectly, with any proposer or person to refrain from proposing, and further, that it has not in any manner, directly or indirectly sought by agreement, collusion, communication, or conference, with that of any person, to fix the proposal amount herein or cost element of said proposal amount, or that of any other proposer, or to secure any advantage against the District or any person interested in the proposed contract.

1.3 CONTENTS OF THIS RFP

This RFP, including supporting documents, contains all of the information necessary to prepare and file a proposal for professional services to provide ADA complementary paratransit service for people with disabilities in Santa Cruz County

The METRO ParaCruz (ADA Complementary Paratransit) Customer's Guide and Policies and Procedures will apply to this contract. Responses to this RFP should be based on these documents, which form the basis for the scope of work described in this RFP. Prospective respondents are advised to completely review this RFP and follow the instructions explicitly regarding proposal submittal.

2. OVERVIEW OF CURRENT SERVICE

2.1 BACKGROUND

The Santa Cruz Metropolitan Transit District (METRO) is the sole public transit operator in Santa Cruz County. Its service area is the entire county, an area of 441 square miles with a population of 255,602 (according to 2000 estimates by the State Department of Finance). Currently METRO provides fixed route bus service that serves both the urban and rural areas of the community.

2.2 CHARACTERISTICS OF CURRENT ADA PARATRANSIT SERVICE

METRO ParaCruz operates to insure that people who have a physical, cognitive, or psychiatric disability that **prevents** them from making some or all of their trips on fixed route buses have a level of access to mass public transportation comparable to the rest of the community, as required by the Americans with Disability Act of 1990 (ADA).

FARES - The current one-way trip fare is \$3.00.

TRIP PRIORITIES – Trips may not be prioritized by trip purpose.

3. SCOPE OF WORK

3.1 CONTRACTOR RESPONSIBILITIES

Contract Performance Standards are presented in ATTACHMENT 3 of this RFP.

3.1.1 METRO ParaCruz is a service of Santa Cruz METRO, and will be operated in accordance with policies and procedures adopted by the Santa Cruz METRO Board of Directors and other applicable regulations and laws and in a manner to ensure compliance with current and future regulations and ADA requirements.

3.1.2 The contractor shall provide adequate vehicles and appropriate staffing levels to assure service delivery consistent with the requirements and expectations set forth in the METRO ParaCruz Customer's Guide, as amended (ATTACHMENT 1), and METRO ParaCruz Policies and Procedures, as amended (ATTACHMENT 2).

3.1.3 Contractor shall be required to provide all paratransit services in such a manner as to meet Santa Cruz METRO's adopted service standards in a manner that is safe, reliable, clean, customer-friendly, and cost effective.

3.1.4 Contractor is required to provide personnel including, but not limited to: management, dispatch, drivers, maintenance, supervisory, safety, administrative, customer service, and all other personnel required to adequately fulfill all responsibilities associated with the provision of supplemental paratransit services as described herein.

3.1.5 Contractor is required to provide vehicles as necessary to supplement vehicles provided by Santa Cruz METRO and facilities including but not limited to: buildings, utilities, office materials and

supplies, telephone equipment, vehicles, fuel parts and supplies, and all other items required to adequately fulfill all responsibilities associated with the provision of supplemental paratransit services as described herein.

- 3.1.6 Santa Cruz METRO will provide policy guidance, eligibility determination, marketing, government and community relations, and other services as described in the METRO ParaCruz Customer's Guide. Santa Cruz METRO shall establish the service area, as specified by the Santa Cruz METRO Board of Directors.
- 3.1.7 Payment to the Contractor shall be made based on the advance reservation door-to-door service. The customer fare is to be collected and retained by the Contractor, and documented as collected for each eligible rider and non-PCA (Personal Care Attendant) companion served.

3.2 BILLING AND COMPENSATION

- 3.2.1 Santa Cruz METRO shall make payment to the Contractor upon the following terms and conditions: Payment shall consist of two components; Dedicated vehicle service hours (scheduled by Metro) and single ride metered rate (not pre-scheduled by Metro).
 - A. Dedicated Vehicle Service Hours: Monthly payments for the dedicated vehicle service hours for the previous month shall be based on number of service hours actually provided by Contractor, multiplied by the rate agreed upon in the contract. Payment shall reflect applied incentives and/or liquidated damages from previous month. All invoices shall be supported by complete documentation.
 - B. Single Ride Metered Rate; Payment shall be at the contracted rate for rides performed in non-dedicated vehicles. Contractor shall make every effort to minimize trip time.
- 3.2.2 Liquidated Damages and/or incentives, if any, shall be deducted or added by Santa Cruz METRO from/to the monthly payment.
- 3.2.3 Santa Cruz METRO shall issue payment to Contractor within 45 days of receipt of the monthly invoice.
- 3.2.4 The contract may be reopened for negotiation of rates at the end of the original contract term and the completion of the first contract extension (if awarded). Either Santa Cruz METRO or the Contractor must notify the other in writing within 90 days of the contract end date of the desire to renegotiate rates for the forthcoming contract period. The written notice must contain documentation justifying any change in rates.
- 3.2.5 Proper Monthly Invoice: In addition to any other requirements set forth in this contract with respect to what constitutes a proper invoice, or for the Contractor to be entitled to receive payment, the Contractor's monthly invoice in duplicate shall contain:
 - A. Dedicated Vehicle Service Hours Contracted: A report of the Contractor's monthly contracted service hours, contracted rate and the represented month.
 - B. Single Ride Metered Rate: A report of the Contractor's metered trips and original charge slips for each trip.
 - C. The reports shall contain the signature of a designated representative of the Contractor to certify that all information contained in the reports is correct, to the best of his/her knowledge.
 - D. The assigned District purchase order number.
 - E. Should the monthly invoice reports not state the monthly amount accurately, Santa Cruz METRO shall notify the Contractor of the discrepancy and the amount in dispute. Santa Cruz METRO shall pay the amount not in dispute. The Contractor shall then provide additional documentation to support its original invoice. If Santa Cruz METRO continues to dispute the amount owed, the Contractor may appeal pursuant to the Contractor complaint resolution section of this agreement.
- 3.2.6 Supporting Documentation: The following are in addition to any other requirements set forth in the Agreement, appendices and exhibits with respect to what supporting documentation must be provided previous to the monthly invoice.
 - A. Daily records of trips performed shall be provided to Santa Cruz Metro by the end of the following business day by 10:00 am; and shall include negotiated pick-up time, estimated pick-up time, actual pick-up time, appointment time, if applicable, actual drop-off time, total number of eligible riders, companions, PCAs, no-shows and cancellations shall be

submitted to METRO each day Drivers' trip logs must be submitted with the daily reports for each service provider.

- B Reports of any accidents occurring during the provision of METRO ParaCruz service by the end of the same business day
 - C A list of current drivers and vehicles used in METRO ParaCruz service, including drivers' license numbers, expiration dates and annual training dates, shall be provided monthly and kept current at all times. Any change of a driver's eligibility status shall be reported by the end of the business day.
 - D The Supplemental Service provider shall report each month the total vehicle revenue miles, total vehicle revenue hours and the peak number of vehicles used in service.
- 3.2.7 Inspection, Review and Audit: In addition to any other requirements pertaining to the right of Santa Cruz METRO or other entities to perform inspections, reviews or audits with respect to any payment or to the contract as a whole, Santa Cruz METRO or its designee, reserves the right to inspect, review and/or audit each invoice for payment to verify that the invoice amount is consistent with the terms of this Agreement. Contractor shall certify that each monthly invoice and all supporting documentation submitted daily, weekly and monthly are accurate. Any false certification shall render the report void, and Santa Cruz METRO shall be entitled to recover immediately any monies paid on such invoices. All payments are subject to audit and revision by Santa Cruz METRO or its designee. Contractor shall make its records available for five (5) years after the termination of this agreement.

3.3 DIVISION OF RESPONSIBILITIES

3.3.1 Santa Cruz METRO shall be responsible for the following tasks:

- ◆ Policy planning
- ◆ Provision of service levels to Contractor
- ◆ Eligibility determination
- ◆ Reservations
- ◆ Scheduling dedicated vehicles
- ◆ Customer Relations and Complaint monitoring
- ◆ Marketing program development and implementation
- ◆ Government and community relations
- ◆ Management of contract
- ◆ Initiating and implementing any service changes
- ◆ Dispatching to the Supplemental Service Provider

3.3.2 Santa Cruz METRO reserves the right to inspect the Contractor at any time.

3.3.3 Contractor shall provide full-time on-site project management personnel to manage contract. Manager shall not be transferred to another property by the Contractor without 30 days notice and agreement by Santa Cruz METRO Executive Staff. Replacement management personnel recommendations must be submitted, with references and background information provided, for approval by Santa Cruz METRO. Santa Cruz METRO retains the right to refuse replacement personnel recommendations

3.3.4 Santa Cruz METRO will provide marketing support to notify the public of any changes in paratransit service. This may include direct mailings, newsletters, public press releases, and public speaking engagements. Santa Cruz METRO may direct the Contractor to place marketing materials onboard vehicles such as flyers and brochures. The Contractor is prohibited from marketing or advertising of the service without the express direction and consent of Santa Cruz METRO

3.4 SERVICE REQUIREMENTS

3.4.1 Drivers must provide service in accordance with ATTACHMENTS 1 and 2 of this agreement.

3.4.2 Driver must offer and provide assistance to every customer unless the driver has first hand knowledge that the customer does not want and will refuse assistance

- 3.4.3 METRO ParaCruz is a door-to-door service as described in ATTACHMENTS 1 and 2.
- 3.4.4 Drivers are authorized to ask to see valid customer identification verifying their eligibility.
- 3.4.5 Drivers shall operate heating and air conditioning systems so as to provide for the comfort of the customers.
- 3.4.6 Drivers are prohibited from soliciting, encouraging or accepting payment of any tip, gratuity, additional payment or any service from any client at any time.
- 3.4.7 Drivers will be trained as specified in ATTACHMENT 2. In the event of an abusive customer, drivers shall at all times conduct themselves as they have been trained to do in the sensitivity program provided.
- 3.4.8 Contractor must report to Santa Cruz METRO all incidents in which a customer engages in violent, seriously disruptive or illegal conduct.
- 3.4.9 Contractor shall report to Santa Cruz METRO all no-shows or cancellations less than one hour in advance of the scheduled pick-up time. Contractor shall also report any instances of customers who refuse to pay the published METRO ParaCruz fare.
- 3.4.10 In the event of the an accident or vehicle breakdown that prevents Contractor from being able to complete the vehicle manifest given capacity of other vehicles on the road at the time, the Contractor shall have 30 minutes to dispatch a back-up vehicle to complete the remaining trips on the manifest. The Contractor shall make an effort to notify all customers affected of the delay. If the Contractor fails to deliver remaining trips on the manifest within 40 minutes of the end of the Ready Window, as described in ATTACHMENTS 1 and 2, the trips will be regarded as missed trips, and subject to Liquidated Damages, as specified in ATTACHMENT 3 Contract Performance Standards of this agreement.
- 3.4.11 The Supplemental Service provider shall dispatch the appropriate vehicle that will accommodate the passenger needs as reflected in the daily schedule manifest. All violations shall be assessed a five hundred dollar penalty (\$500.00) per each violation. The Supplemental service provider shall notify METRO of all violations within 24 Hours.

3.5 SERVICE STANDARDS

Contractor shall provide service in accordance with this agreement and all attachments, as amended. Contract Standards, incentives and penalties are presented in ATTACHMENT 3.

3.6 SUBSTANCE ABUSE TESTING

- 3.6.1 The Contractor, at its own expense, is responsible for ensuring that all drivers, mechanics, and other safety-sensitive personnel are free of the influence of alcohol or drugs, including amphetamines, narcotic drugs, prescription drugs, formulation of an amphetamine or derivatives of narcotic drugs while on the job.
- 3.6.2 The Contractor is responsible for maintaining compliance with the Federal Drug Free Workplace Act and Santa Cruz METRO's policies on drug use in the workplace, and must file a Drug Free Workplace Act Certification with Santa Cruz METRO, and assure Santa Cruz METRO that it is compliant with the Federal Transit Administration regulations (49 CFR Parts 653 and 654). Santa Cruz METRO's Drug and Alcohol Testing Policy is presented in EXHIBIT 5 of the Policies and Procedures (ATTACHMENT 2 of this RFP).
- 3.6.3 As part of its response, the Contractor must describe its policies for compliance with these requirements.
- 3.6.4 The Contractor must document that the policy is followed, and is subject to review by Santa Cruz METRO or its designees periodically.
- 3.6.5 Any trip provided under this program by an individual that has not appropriately complied with the specified procedures will be subject to non-payment by Santa Cruz METRO, in addition to Liquidated Damages as specified in ATTACHMENT 3.
- 3.6.6 Contractor must maintain current drug testing records of all drivers, mechanics and dispatchers.

3.7 VEHICLE REQUIREMENTS

- 3.7.1 The Contractor is expected to use a combination of vehicles provided by Santa Cruz METRO and those provided directly by the Contractor.
- 3.7.2 Vehicle requirements are presented in ATTACHMENT 2 - METRO ParaCruz Policies and Procedures, Section X.

3.8 VEHICLE MAINTENANCE STANDARDS

- 3.8.1 The Contractor is expected to present its plan for effectively maintaining vehicles used in the provision of METRO ParaCruz service, including schedules for performance of maintenance activities and the variances within which these activities will be performed
- 3.8.2 Vehicle maintenance standards are presented in ATTACHMENT 2 METRO ParaCruz Policies and Procedures, Section X. METRO retains the right to inspect the vehicles used in performance of this contract at any time. METRO can require the submission of Preventive Maintenance records for METRO-provided vehicles with the monthly billing documentation
- 3.8.3 The Contractor is expected to plan for timely repair of damaged vehicles and replacement of destroyed vehicles whether provided by METRO or the Contractor.

3.9 PERSONNEL STANDARDS

- 3.9.1 The Contractor is expected to present its plan for training all employees for performance of service under this agreement.
- 3.9.2 The minimum Contractor personnel standards and training requirements are presented in ATTACHMENT 2, under the sections for each type of activity.
- 3.9.3 Responsibilities for each area are specified in ATTACHMENT 2.

3.10 FACILITIES REQUIREMENTS

- 3.10.1 The Contractor shall independently determine the number, size and type of facilities needed to comply with the requirements of this agreement. The size of the facilities shall be based on the size of the vehicle fleet, and its composition.
- 3.10.2 The Contractor shall be responsible for meeting all federal, state, and local laws and regulations regarding such facilities. Any permits/approvals required for the facilities shall be the responsibility of the Contractor (e.g. handling of hazardous materials).
- 3.10.3 Vehicle storage shall be either inside a secured building or a lighted, fence-secured parking lot.
- 3.10.4 The Contractor shall be solely responsible for arranging or directly providing vehicle towing. No Contractor or Santa Cruz METRO provided vehicle, operable or inoperable, shall be left overnight on any public road or property not under the control of the Contractor or Santa Cruz METRO without the express authorization of Santa Cruz METRO.
- 3.10.5 Contractor shall make arrangements for all vehicle cleaning
- 3.10.6 Contractor is responsible for providing all office employees with an appropriate work area, including the equipment and environment to allow them to perform their work efficiently and effectively.
- 3.10.7 The Contractor is responsible for securing facilities that meet all workplace regulations for safety and accessibility for employees and visitors.
- 3.10.8 The Contractor is responsible for maintaining its facilities to provide a safe and professional operating environment.

3.11 CONTRACTOR MANAGEMENT REQUIREMENTS

- 3.11.1 Contractor shall provide for personnel administration and policies and procedures to be included in various manuals maintained by the Contractor in support of policies and procedures established in this agreement and attachments as amended. The Contractor's policies and procedures shall be made available to both the Contractor's personnel and Santa Cruz METRO upon request
- 3.11.2 Records documenting all drivers licensing, training, and other requirements shall be maintained with copies forwarded to Santa Cruz METRO upon request

- 3 11 3 Contractor shall establish employee payroll, internal accounting and budgeting systems sufficient to the operation of this system. The Contractor shall submit a certified annual financial report once each year in accordance with generally accepted accounting principles. An original copy of the audit shall be provided to Santa Cruz METRO no later than 120 days from the end of each fiscal year (July through June).
- 3 11 4 Contractor is solely responsible for any union/labor agreements required in the operation of this service.
- 3 11 5 Contractor is responsible for all routine repairs to all vehicles and equipment necessary for performing this contract.
- 3 11 6 Contractor will install and maintain any telephone service required under this contract, including computer communication equipment, and shall procure and ensure continued operation of all two-way communication equipment, including repeaters and antennas for both vehicle and building mounted for Contractor operated equipment.
- 3 11 7 Contractor is solely responsible for all supplies required in the performance of this contract.
- 3 11 8 Contractor shall be responsible for making Santa Cruz METRO provided materials available to customers in all vehicles. Contractor shall post signs and notices in vehicles as requested and provided by Santa Cruz METRO.
- 3 11 9 Contractor is required to install and maintain vehicle signage as specified by Santa Cruz METRO on all vehicles used in the performance of this agreement.
- 3 11 10 Santa Cruz METRO is responsible for the payment of any ticket, penalty or fine assessed by any government agency resulting from the LAWFUL operation of METRO ParaCruz service under this agreement.
- 3 11 11 The Contractor shall provide Santa Cruz METRO with 24-hour contact information (telephone number and pager number) of the designated person who is empowered to make decisions on behalf of the Contractor. This contact information is to be kept current under all circumstances.

3.12 CONTRACTOR COMPLAINT RESOLUTION REQUIREMENTS

- 3.12 1 Complaints procedures are included in ATTACHMENT 1. Complaints received by Santa Cruz METRO shall be forwarded to the Contractor within 24 business hours of receipt. The Contractor shall investigate and report back conclusion/resolution to Santa Cruz METRO within 48 hours.
- 3.12 2 The Contractor is advised that Santa Cruz METRO is a customer-oriented organization. Failure to respond appropriately to any complaint or comment from Santa Cruz METRO or a customer may result in contract termination.

3.13 PROGRAM OPERATION

- 3.13 1 The Contractor shall be responsible for the operation of all trips provided as part of the contract. The Contractor may choose to subcontract service to another service provider. If subcontractors are used, they must comply with all of the service requirements of the prime contractor. It is the prime contractor's sole responsibility to ensure that the subcontractor meets these requirements.
- 3.13 2 The Contractor shall describe in the Proposal the approximate number of vehicles to be employed by vendors in this Contract, including type of vehicles and the proportion of wheelchair accessible vans required to meet the scope of services. The fleet size must incorporate a spare vehicle ratio of a minimum of 15% or a minimum of four vehicles, depending on fleet size. The Contractor will ensure that all vehicles designated as accessible and dedicated to this program will meet the specifications outlined in ADA Part 38 (Accessibility Specifications for Transportation Vehicles), Subpart B ("Buses, Vans and Systems"). The Proposal will also include the available fleet size of those companies with whom the Respondent expects to subcontract service. METRO reserves the right to accept or reject vehicles used by the vendor in providing service under this contract.
- 3 13 3 The Contractor shall describe in the Proposal its plan for replacing vehicles damaged or destroyed within a reasonable time to ensure continued high quality service to ParaCruz customers.
- 3.13 4 Insurance. Contractor is responsible for insuring all vehicles operated in service of METRO ParaCruz service. This include vehicles owned by METRO, Contractor's vehicles used in the performance of this contract owned and non-owned (e.g. owned by Broker's employees, leased or

hired vehicles), and all contractors vehicles owned or operated by contractors shall each be covered with automobile liability insurance at the minimum of \$500,000 00 combined single limit per accident for bodily injury or property damage.

- 3 13 5 The Contractor will ensure the safety of passengers by any and all means necessary, including but not limited to: driver training, retraining, and monitoring; vehicle maintenance order in and around vehicles; providing safety and emergency procedures. All vehicles will be equipped with a fire extinguisher and California Department of Transportation-approved first aid kits furnished by the Contractor. Vehicles supplied by METRO will be delivered to the Contractor with all safety equipment onboard.

3.14 PERFORMANCE BOND

Santa Cruz METRO requires a performance bond equivalent to two months average billing be maintained by the Contractor.

4. PROPOSAL EVALUATION

4.1 SELECTION PROCESS

- 4 1 1 Santa Cruz METRO will use a selection panel of qualified professional individuals to review the proposals submitted. The review board will review the proposals submitted, establish a list of finalists and interview (if necessary) the finalist firms.
- 4.1.2 The names of the selection panel members are not revealed prior to the interviewees. The individual or composite ratings by the board members will not be revealed.
- 4 1 3 Members of the selection panel review the proposals to determine which firms may be invited for an oral interview. If an interview is required, approximately one hour will be allowed for the oral interview and questions and answers. The Project Manager designated by the firm must lead the presentation before the review board.
- 4 1 4 Completed copies of proposal evaluation forms and oral interview evaluation forms will not be revealed to the firms. Individual rankings of firms will not be revealed.
- 4.1.5 Negotiations of the contract, the detailed scope of work, and the fee are not within the purview of the review board.
- 4.1.6 When the review board has completed its work, applicants are advised of the number one selection.
- 4.1.7 Once the number one selection is known, a contract will be negotiated for the extent of services to be rendered and for the method of compensation. If agreement is not reached after a reasonable period of time, as determined by the District, negotiations with the number one selection will be terminated and negotiations then will be opened with the second choice of the review board. When agreement is reached with the firm, it will be submitted to the Santa Cruz Metropolitan Transit District Board for approval and execution.

4.2 SELECTION CRITERIA

- 4.2 1 Prior to the evaluation of the technical and cost proposals, the following mandatory selection criteria must be met:

Pass/Fail Items:

- Preclusion from Proposing (Federal, State, local)
- Proper documents submitted and executed/signed
- Compliance with Proposal Deadline
- Minimum Insurance Requirements

Proposals which meet the mandatory items listed above will be evaluated on score items. The proposal shall be in the form of a work plan that must describe plan for operation of ADA complementary paratransit service for the METRO service area. The Respondent will describe the

organizational structure and staffing resources assigned to this project. A cost proposal for these services will be submitted under separate cover.

4.2.2 Technical proposal

The technical quality of the Proposal will be evaluated in terms of the Respondent's understanding of the requirements of the RFP, ability to secure the lowest cost, most appropriate level of service for the population served, the availability and quality of equipment, quality of facilities, personnel selection procedures, qualifications and experience of project management personnel. More specifically, the technical proposal will be scored based on the following items in relative order of priority:

4.2.2.1 Service Management

- A. Describe the Respondent's method of responding to requests, including determination of most appropriate level of service and provision of service requesting and taking trips outside of normal office hours. Describe the respondent's ability to perform next day scheduling. Describe the method proposed for meeting next day trip requests on weekends and holidays.
- B. Describe the Respondent's complaint handling and resolution process concerning complaints about the service.
- C. Respondent shall provide the turnover rate for its agency or firm for the past 24 months.
- D. Respondent shall provide a description of their hiring and selection process for drivers.

4.2.2.2 Safety and Training

Describe how the Respondent ensures rider safety in the provision of service, including vehicle specifications and driver training. Respondent shall provide a full description of their training program for all employees.

4.2.2.3 Facilities and Equipment

Describe the Respondent's planned facilities and equipment, including size, location (proposed location if actual address unknown at this time - indicate steps that would be taken to secure this facility) and planned use of office, vehicles, radio system, etc.

4.2.2.4 Dispatch System

Describe the Respondent's dispatch system.

4.2.2.5 Service Start-Up

Describe the Respondent's start-up plan to ensure service implementation by May 1, 2007.

4.2.2.6 Service Eligibility and Service Area

Describe how the Respondent will ensure that all eligible riders will be given equal access to service, regardless of residence location, even when some trips are less efficient for service operators. Describe how the Respondent will ensure communication with various non-English speaking groups and persons with a variety of disabilities that impact communication; in order to meet their transportation needs.

4.2.2.7 Data, Records and Reports

Describe trip verification procedure to be used.

4.2.3 Management Proposal

The Management Proposal will be evaluated and scored on the following items:

4.2.3.1 Experience

Describe the experience of the firm and individual staff members in managing and/or monitoring paratransit services for seniors and/or persons with disabilities provided by other companies or in direct service provision. This service should be similar in scope and complexity to the work described in the Scope of Work described in this RFP.

4.2.3.2 Organization

Provide an organization chart of the Respondent's agency, indicating the lines of authority for personnel directly involved in performance of this contract and relationships of these staff to other programs or functions of the agency.

Respondent will include resumes of key staff, and describe the responsibilities of the various staff members in the provision of paratransit services, and the percentage of their time that will be dedicated exclusively in this contract

4.2.3.3 Proposer References

Submit references of at least three current customers, or prior customers if the Respondent does not have three current customers

4.2.4 Cost Proposal

The Cost Proposal shall be provided in a separate envelope and will be evaluated in terms of overall budget cost. Costs shall be provided in the following format:

4.2.4.1 Dedicated Vehicle Service Hours:

Dedicated Vehicle Service Hour Rate

4.2.4.2 Single Ride Metered Rate:

Payment shall be at the contracted rate for rides performed in non-dedicated vehicles. Contractor shall make every effort to minimize trip time.

4.2.5 Evaluation Criteria

Proposals will be evaluated according to the following criteria to determine qualifications for contract award:

| Evaluation Criteria | Points Possible |
|---|------------------------|
| Technical Proposal | 25 |
| Cost | 25 |
| Qualifications | 20 |
| Experience | 20 |
| References | 10 |
| Disadvantaged Business Enterprise Participation | 10 |
| Total Points Possible | 110 |

5. SCHEDULE OF EVENTS

| Event | Date |
|--|--|
| Request for Proposals (RFP) mailed out | February 21, 2007 |
| Pre-Proposal Meeting | March 2, 2007, 10:00 a.m. |
| Deadline for receipt of written questions and requests for addenda | March 16, 2007, 5:00 p.m. |
| Proposals due date | April 4, 2007, 5:00 p.m. |
| District Review of Proposals | April 5 th through April 13 th |
| Board Approval of Contract and notice to proceed | April 27, 2007 |
| Effective period contract | May 1, 2007 through April 30, 2010 (3 years) |

PART IV

GENERAL CONDITIONS TO THE CONTRACT

1. GENERAL PROVISIONS

1.01 Governing Law & Compliance with All Laws

This Contract is governed by and construed in accordance with the laws of California. Each party will perform its obligations hereunder in accordance with all applicable laws, rules, and regulations now or hereafter in effect. Contractor shall ensure throughout the terms of this Agreement that all federal, state and local laws and requirements are met including any requirements District is obligated to perform because of receipt of grant funding. Contractor shall also be required to fulfill its obligation as a federal and/or state and/or local sub-recipient of grant funding.

1.02 Right to Modify Contract

District may extend the term of this Contract, expand the Scope of Work, or otherwise amend the Contract. Any such extension, expansion or amendment shall be effective only upon written agreement of the parties in accordance with Section 13.14.

2. TERMINATION

2.01 Termination for Convenience

2.01.01 The performance of Work under this Contract may be terminated by the District upon fifteen (15) days' notice at any time without cause for any reason in whole or in part, whenever the District determines that such termination is in the District's best interest.

2.01.02 Upon receipt of a notice of termination, and except as otherwise directed by the District, the Contractor shall: (1) stop work under the Contract on the date and to the extent specified in the notice of termination; (2) place no further orders or subcontracts for materials, services, or facilities, except as may be necessary for completion of such portion of the Work under the Contract as is not terminated; (3) terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the notice of termination; (4) assign to the District in the manner, at the time, and to the extent directed by the District all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case the District shall have the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts; (5) settle all outstanding liabilities and claims arising out of such termination or orders and subcontracts, with the approval or ratification of the District, to the extent the District may require, which approval or ratification shall be final for all the purposes of this clause; (6) transfer title to the District and deliver in the manner, at the time, and to the extent, if any, directed by District the fabricated or unfabricated parts, work in progress, completed work, supplies and other material produced as a part of, or acquired in connection with the performance of, the work terminated and the completed or partially completed plans, drawings, information and other property which, if the Contract had been completed, would have been required to be furnished to the District; (7) use its best efforts to sell, in the manner, at the time, to the extent, and at the price(s) directed or authorized by the District, any property of the types referred to above provided, however, that the Contractor shall not be required to extend credit to any purchaser, and may acquire any such property under the conditions prescribed by and at a price(s) approved by the District, and provided further, that the proceeds of any such transfer or disposition shall be applied in reduction of any payments to be made to the District to the Contractor under this Contract or shall otherwise be credited to the price or cost of the Work covered by this Contract or paid in such other manner as the District may direct; (8) complete performance of

such part of the Work as shall not have been terminated by the notice of termination; and (9) take such action as may be necessary, or as the District may direct, for the protection or preservation of the property related to this Contract which is in the possession of the Contractor and in which the District has or may acquire an interest.

2.02 Termination for Default

2.02.01 The District may, upon written notice of default to the Contractor, terminate the whole or any part of this Contract if the Contractor: (1) fails to complete the Scope of Work within time period stated in the Specifications section of the IFB; (2) fails to perform any of the other provisions of the Contract; or (3) fails to make progress as to endanger performance of this Contract in accordance with its provisions

2.02.02 If the Contract is terminated in whole or in part for default, the District may procure, upon such terms and in such manner as the District may deem appropriate, supplies or services similar to those so terminated. Without limitation to any other remedy available to the District, the Contractor shall be liable to the District for any excess costs for such similar supplies or services, and shall continue the performance of this Contract to the extent not terminated under the provisions of this clause.

2.02.03 If, after notice of termination of this Contract under the provisions of this clause, it is determined for any reason that the Contractor was not in default under the provisions of this clause, or that the default was excusable under the provisions of this clause, the rights and obligations of Contractor and District shall be considered to have been terminated pursuant to termination for convenience of the District pursuant to Article 2.01 from the date of Notification of Default.

2.03 No Limitation

The rights and remedies of the District provided in this Article 2 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

3. FORCE MAJEURE

3.01 General

Neither party hereto shall be deemed to be in default of any provision of this Contract, or for any failure in performance, resulting from acts or events beyond the reasonable control of such party. For purposes of this Contract, such acts shall include, but not be limited to, acts of God, civil or military authority, civil disturbance, war, strikes, fires, other catastrophes, or other "force majeure" events beyond the parties' reasonable control; provided, however, that the provisions of this Section 3 shall not preclude District from canceling or terminating this Contract (or any order for any product included herein), as otherwise permitted hereunder, regardless of any force majeure event occurring to Contractor.

3.02 Notification by Contractor

Contractor shall notify District in writing as soon as Contractor knows, or should reasonably know, that a force majeure event (as defined in Section 3.01) has occurred that will delay completion of the Scope of Work. Said notification shall include reasonable proofs required by the District to evaluate any Contractor request for relief under this Article 3. District shall examine Contractor's notification and determine if the Contractor is entitled to relief. The District shall notify the Contractor of its decision in writing. The District's decision regarding whether or not the Contractor is entitled to force majeure relief shall be final and binding on the parties.

3.03 Losses

Contractor is not entitled to damages, compensation, or reimbursement from the District for losses resulting from any "force majeure" event.

4. PROFESSIONAL STANDARDS

Contractor shall at all times during the term of this Contract possess the technical ability, experience, financial ability, overall expertise, and all other skills, licenses, and resources necessary to perform and complete the scope of work in a timely, professional manner so as to meet or exceed the provisions of this Contract

5 PROFESSIONAL RELATIONS

5.01 Independent Contractor

No relationship of employer and employee is created by this Contract. In the performance of its work and duties, Contractor is at all times acting and performing as an independent contractor in the practice of its profession. District shall neither have nor exercise control or direction over the methods by which Contractor performs services pursuant to this Contract (including, without limitation, its officers, shareholders, and employees); provided, however, that Contractor agrees that all work performed pursuant to this Contract shall be in strict accordance with currently approved methods and practices in its profession, and in accordance with this Contract. The sole interest of District is to ensure that such services are performed and rendered in a competent and cost effective manner

5.02 Benefits

Contractor (including, without limitation, its officers, shareholders, subcontractors and employees) has no claim under this Contract or otherwise against the District for social security benefits, workers' compensation benefits, disability benefits, unemployment benefits, vacation pay, sick leave, or any other employee benefit of any kind

6. INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS

6 01 Scope

Contractor shall exonerate, indemnify, defend, and hold harmless District (which for the purpose of Articles 6 and 7 shall include, without limitation, its officers, agents, employees and volunteers) from and against:

6.01.01 Any and all claims, demands, losses, damages, defense costs, or liability of any kind or nature which District may sustain or incur or which may be imposed upon it for injury to or death of persons, or damage to property as a result of, or arising out of, or in any manner connected with the Contractor's performance under the provisions of this Contract. Such indemnification includes any damage to the person(s) or property (ies) of Contractor and third persons.

6.01.02 Any and all Federal, state and local taxes, charges, fees, or contributions required to be paid with respect to Contractor, Contractor's officers, employees and agents engaged in the performance of this Contract (including, without limitation, unemployment insurance, social security, and payroll tax withholding).

7. INSURANCE

7 01 General

Contractor, at its sole cost and expense, for the full term of this Contract (and any extensions thereof), shall obtain and maintain at minimum all of the following insurance coverage. Such insurance coverage shall be primary coverage as respects District and any insurance or self-insurance maintained by District shall be excess of Contractor's insurance coverage and shall not contribute to it.

7 02 Types of Insurance and Minimum Limits

Contractor shall obtain and maintain during the term of this Contract:

- (1) Worker's Compensation and Employer's Liability Insurance in conformance with the laws of the State of California (not required for Contractor's subcontractors having no employees).
- (2) Contractor's vehicles used in the performance of this Contract, including owned, non-owned (e.g. owned by Contractor's employees), leased or hired vehicles, shall each be covered with Automobile Liability Insurance in the minimum amount of \$500,000.00 combined single limit per accident for bodily injury and property damage.
- (3) Contractor shall obtain and maintain Comprehensive General Liability Insurance coverage in the minimum amount of \$1,000,000.00 combined single limit, including bodily injury, personal injury, and property damage. Such insurance coverage shall include, without limitation:
 - (a) Contractual liability coverage adequate to meet the Contractor's indemnification obligations under this contract
 - (a) Full Personal Injury coverage.
 - (a) Broad form Property Damage coverage.
 - (a) A cross-liability clause in favor of the District.
- (4) Contractor shall obtain and maintain Professional Liability Insurance coverage in the minimum amount of \$1,000,000.00.

7 03 Other Insurance Provisions

- (1) As to all insurance coverage required herein, any deductible or self-insured retention exceeding \$5,000.00 shall be disclosed to and be subject to written approval by District.
- (2) If any insurance coverage required hereunder is provided on a "claims made" rather than "occurrence" form, Contractor shall maintain such insurance coverage for three (3) years after expiration of the term (and any extensions) of this Contract.
- (3) All required Automobile Liability Insurance and Comprehensive or Commercial General Liability Insurance shall contain the following endorsement as a part of each policy: "The Santa Cruz Metropolitan Transit District is hereby added as an additional insured as respects the operations of the named insured "
- (4) All the insurance required herein shall contain the following clause: "It is agreed that this insurance shall not be canceled until thirty (30) days after the District shall have been given written notice of such cancellation or reduction."
- (5) Contractor shall notify District in writing at least thirty (30) days in advance of any reduction in any insurance policy required under this Contract.
- (6) Contractor agrees to provide District at or before the effective date of this Contract with a certificate of insurance of the coverage required.
- (6) All insurance shall be obtained from brokers or carriers authorized to transact business in California and are satisfactory to the District.

9. NO DISCRIMINATION

The Contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or, sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR, Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy, as recipient deems appropriate.

10. DISADVANTAGED BUSINESS ENTERPRISES

The Board of Directors of the Santa Cruz Metropolitan Transit District has adopted a Disadvantaged Business Enterprise Policy to promote the participation of disadvantaged business enterprises (DBE's) in all areas of District contracting to the maximum extent practicable. Consistent with the DBE Policy, the Contractor shall take all necessary and reasonable steps to ensure that DBE firms have the maximum practicable opportunity to participate in the performance of this project and any subcontracting opportunities thereof

I. PROMPT PAYMENT

11.01 Prompt Progress Payment to Subcontractors

The prime contractor or subcontractor shall pay to any subcontractor not later than 10-days of receipt of each progress payment, in accordance with the provision in Section 7108.5 of the California Business and Professions Code concerning prompt payment to subcontractors. The 10-days is applicable unless a longer period is agreed to in writing. Any delay or postponement of payment over 30-days may take place only for good cause and with the District's prior written approval. Any violation of Section 7108.5 shall subject the violating contractor or subcontractor to the penalties, sanctions, and other remedies of that Section. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the contractor or subcontractor in the event of a dispute involving late payment or nonpayment by the contractor, deficient subcontractor performance, and/or noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors.

A Prompt Payment of Withheld Funds to Subcontractors

The District shall hold retainage from the prime contractor and shall make prompt and regular incremental acceptances of portions, as determined by the District of the contract work and pay retainage to the prime contractor based on these acceptances. The prime contractor or subcontractor shall return all monies withheld in retention from all subcontractors within 30 days after receiving payment for work satisfactorily completed and accepted including incremental acceptances of portions of the contract work by the District. Any delay or postponement of payment may take place only for good cause and with the District's prior written approval. Any violation of these provisions shall subject the violating prime contractor to the penalties, sanctions, and other remedies specified in Section 7108.5 of the California Business Professions Code. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the contractor or subcontractor in the event of: a dispute involving late payment or nonpayment by the contractor; deficient subcontractor performance; and/or noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors

Prime subcontractors must include the prompt payment language of paragraph 1 in all subcontracts, regardless of subcontractor's DBE status. Failure of a prime contractor to uphold prompt payment requirements for subcontractors will result in District withholding reimbursement for completed work

12. RESERVED

13. MISCELLANEOUS PROVISIONS

13.01 Successors and Assigns

The Contract shall inure to the benefit of, and be binding upon, the respective successors and assigns, if any, of the parties hereto, except that nothing contained in this Article shall be construed to permit any attempted assignment which would be unauthorized or void pursuant to any other provision of this Contract.

13.02 Survival of Rights and Obligations

In the event of termination, the rights and obligations of the parties which by their nature survive termination of the services covered by this Contract shall remain in full force and effect after termination. Compensation and revenues due from one party to the other under this Contract shall be paid; loaned equipment and material shall be returned to their respective owners; the duty to maintain and allow inspection of books, accounts, records and data shall be extended as provided in Section 13 15; and the hold harmless agreement contained in Article 6 shall survive

13.03 Limitation on District Liability

The District's liability is, in the aggregate, limited to the total amount payable under this Contract

13.04 Drug and Alcohol Policy

Contractor shall not use, possess, manufacture, or distribute alcohol or illegal drugs during the performance of the Contract or while on District premises or distribute same to District employees.

13.05 Publicity

Contractor agrees to submit to District all advertising, sales promotion, and other public matter relating to any service furnished by Contractor wherein the District's name is mentioned or language used from which the connection of District's name therewith may, within reason, be inferred or implied Contractor further agrees not to publish or use any such advertising, sales promotion or publicity matter without the prior written consent of District

13.06 Consent to Breach Not Waiver

No provision hereof shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute a consent to, waiver of, or excuse for any other different or subsequent breach.

13.07 Attorneys' Fees

In the event that suit is brought to enforce or interpret any part of this Contract, the prevailing party shall be entitled to recover as an element of its costs of suit, and not as damages, a reasonable attorney's fee to be fixed by the court. The "prevailing party" shall be the party who is entitled to recover its costs of suit, whether or not the suit proceeds to final judgment A party not entitled to recover its costs shall not recover attorney's fees No sum for attorney's fees shall be counted in calculating the amount of a judgment for purposes of determining whether a party is entitled to recover its costs or attorney's fees.

13.08 No Conflict of Interest

Contractor represents that it currently has no interest, and shall not have any interest, direct or indirect, that would conflict in any manner with the performance of services required under this Contract

13.09 Prohibition of Discrimination against Qualified Handicapped Persons

Contractor shall comply with the provisions of Section 504 of the Rehabilitation Act of 1973, as amended, pertaining to the prohibition of discrimination against qualified handicapped persons in federally-assisted programs

13.10 Cal OSHA/Hazardous Substances

13.10.01 Contractor shall comply with California Administrative Code Title 8, Section 5194, and shall directly (1) inform its employees of the hazardous substances they may be exposed to while performing their work on District property, (2) ensure that its employees take appropriate protective measures, and (3) provide the District's Manager of Facility Maintenance with a Material Safety Data Sheet (MSDS) for all hazardous substances to be used on District property

13.10.02 Contractor shall comply with Cal OSHA regulations and the Hazardous Substance Training and Information Act. Further, said parties shall indemnify the District against any and all damage, loss, and injury resulting from non-compliance with this Article.

13.10.03 Contractor will comply with the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65) California Health and Safety Code Section 25249.5 - 25249.13. Contractor will ensure that clear and reasonable warnings are made to persons exposed to those chemicals listed by the State of California as being known to cause cancer or reproductive toxicity

13.10.04 Contractor shall be solely responsible for any hazardous material, substance or chemical released or threatened release caused or contributed to by Contractor. Contractor shall be solely responsible for all clean-up efforts and costs

13.11 Non-Assignment of Contract

The Contractor shall not assign, transfer, convey, sublet, or otherwise dispose of the Contract or Contractor's right, title or interest in or to the same or any part thereof without previous written consent by the District; and any such action by Contractor without District's previous written consent shall be void.

13.12 No Subcontract

Contractor shall not subcontract or permit anyone other than Contractor or its authorized staff and subcontractors to perform any of the scope of work, services or other performance required of Contractor under this Contract without the prior written consent of the District. Any such action by Contractor without District's previous consent shall be void

13.13 Severability

If any provision of this Contract is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall continue in full force and effect, and shall in no way be affected, impaired or invalidated.

13.14 All Amendments in Writing

No amendment to this Contract shall be effective unless it is in writing and signed by duly authorized representatives of both parties

13.15 Audit

This Contract is subject to audit by Federal, State, or District personnel or their representatives at no cost for a period of four (4) years after the date of expiration or termination of the Contract. Requests for audits shall be made in writing, and Contractor shall respond with all information requested within ten (10) calendar days of the date of the request. During the four-year period that the Contract is subject to audit, Contractor shall maintain detailed records substantiating all costs and expenses billed against the Contract.

13.16 Smoking Prohibited

Contractor, its employees and agents shall not smoke in any enclosed area on District premises or in a District vehicle.

13.17 Responsibility for Equipment

13.17.01 District shall not be responsible nor held liable for any damage to person or property consequent upon the use, or misuse, or failure of any equipment used by Contractor, or any of its employees, even though such equipment be furnished, rented or loaned to Contractor by District

13.17.02 Contractor is responsible to return to the District in good condition any equipment, including keys, issued to it by the District pursuant to this Agreement. If the contractor fails or refuses to return District-issued equipment within five days of the conclusion of the contract work the District shall deduct the actual costs to repair or replace the equipment not returned from the final payment owed to contractor or take other appropriate legal action at the discretion of the District.

13.18 Grant Contracts

13.18.01 Contractor shall ensure throughout the terms of this Agreement that all federal, state and local laws and requirements are met including any requirements District is obligated to perform because of receipt of grant funding. Contractor shall also be required to fulfill its obligation as a federal and/or state and/or local sub-recipient of grant funding

13.19 Time of the Essence

13.19.01 Time is of the essence in this Contract

PART V

CONTRACT FOR SUPPLEMENTAL PARATRANSIT SERVICES (06-08)

THIS CONTRACT is made effective on May 1, 2007 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("District"), and _____ ("Contractor").

1 RECITALS

1.01 District's Primary Objective

District is a public entity whose primary objective is providing public transportation and has its principal office at 370 Encinal Street, Suite 100, Santa Cruz, California 95060.

1.02 District's Need for Supplemental Paratransit Services

District has the need for Supplemental Paratransit Services. In order to obtain these services, the District issued a Request for Proposals, dated February 21, 2007, setting forth specifications for such services. The Request for Proposals is attached hereto and incorporated herein by reference as Exhibit "A"

1.03 Contractor's Proposal

Contractor is a firm/individual qualified to provide Supplemental Paratransit Services and whose principal place of business is _____. Pursuant to the Request for Proposals by the District, Contractor submitted a proposal for Supplemental Paratransit Services, which is attached hereto and incorporated herein by reference as Exhibit "B."

1.04 Selection of Contractor and Intent of Contract

On April 27, 2007, District selected Contractor as the offeror whose proposal was most advantageous to the District, to provide Supplemental Paratransit Services described herein. This Contract is intended to fix the provisions of these services

District and Contractor agree as follows:

2 INCORPORATED DOCUMENTS AND APPLICABLE LAW

2.01 Documents Incorporated in this Contract

The documents below are attached to this Contract and by reference made a part hereof. This is an integrated Contract. This writing constitutes the final expression of the parties' contract, and it is a complete and exclusive statement of the provisions of that Contract, except for written amendments, if any, made after the date of this Contract in accordance with Section 13.14.

A Exhibit "A"

Santa Cruz Metropolitan Transit District's "Request for Proposals" dated February 21, 2007

B Exhibit "B" (Contractor's Proposal)

Contractor's Proposal to the District for Supplemental Paratransit Services, signed by Contractor and dated April 4, 2007

2.02 Conflicts

Where in conflict, the provisions of this writing supersede those of the above-referenced documents, Exhibits "A" and "B" Where in conflict, the provisions of Exhibit "A" supercede Exhibit "B".

2.03 Recitals

The Recitals set forth in Article 1 are part of this Contract.

3. DEFINITIONS

3.01 General

The terms below (or pronouns in place of them) have the following meaning in the contract:

3.01.01 CONTRACT - The Contract consists of this document, the attachments incorporated herein in accordance with Article 2, and any written amendments made in accordance with Section 13.14.

3.01.02 CONTRACTOR - The Contractor selected by District for this project in accordance with the Request for Proposals issued February 21, 2007.

3.01.03 CONTRACTOR'S STAFF - Employees of Contractor.

3.01.04 DAYS - Calendar days.

3.01.05 OFFEROR - Contractor whose proposal was accepted under the terms and conditions of the Request for Proposals issued February 21, 2007.

3.01.06 PROVISION - Any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulation in the contract that defines or otherwise controls, establishes, or limits the performance required or permitted by either party.

3.01.07 SCOPE OF WORK (OR "WORK") - The entire obligation under the Contract, including, without limitation, all labor, equipment, materials, supplies, transportation, services, and other work products and expenses, express or implied, in the Contract.

4. TIME OF PERFORMANCE

4.01 Term

The term of this Contract will be for a period not to exceed one (1) year and shall commence upon the issuance of the contract by the District.

At the option of the District, this contract agreement may be renewed for four (4) additional one (1) year terms upon mutual written consent

5. COMPENSATION

5.01 Terms of Payment

District shall compensate Contractor in an amount not to exceed the amounts/rates agreed upon by the

District District shall reasonably determine whether work has been successfully performed for purposes of payment Compensation shall be made within forty-five (45) days of District written approval of Contractor's written invoice for said work. Contractor understands and agrees that if he/she exceeds the \$ _____ maximum amount payable under this contract, that it does so at its own risk.

5 02 Invoices

Contractor shall submit invoices with a project number provided by the District on a monthly basis. Contractor's invoices shall include detailed records showing actual time devoted, work accomplished, date work accomplished, personnel used, and amount billed per hour. Expenses shall only be billed if allowed under the Contract. Telephone call expenses shall show the nature of the call and identify location and individual called. Said invoice records shall be kept up-to-date at all times and shall be available for inspection by the District (or any grantor of the District, including, without limitation, any State or Federal agency providing project funding or reimbursement) at any time for any reason upon demand for not less than four (4) years after the date of expiration or termination of the Contract. Under penalty of law, Contractor represents that all amounts billed to the District are (1) actually incurred; (2) reasonable in amount; (3) related to this Contract; and (4) necessary for performance of the project.

6. NOTICES

All notices under this Contract shall be deemed duly given upon delivery, if delivered by hand; or three (3) days after posting, if sent by registered mail, receipt requested; to a party hereto at the address hereunder set forth or to such other address as a party may designate by notice pursuant hereto.

DISTRICT

Santa Cruz Metropolitan Transit District
370 Encinal Street
Suite 100
Santa Cruz, CA 95060
Attention: General Manager

CONTRACTOR

Attention: _____

7 AUTHORITY

Each party has full power and authority to enter into and perform this Contract and the person signing this Contract on behalf of each has been properly authorized and empowered to enter into this Contract. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it.

Signed on _____

DISTRICT
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR

By _____

Approved as to Form:

Margaret Rose Gallagher
District Counsel

PART VI

FEDERAL TRANSIT ADMINISTRATION REQUIREMENTS FOR NON-CONSTRUCTION CONTRACTS

1.0 GENERAL

This Contract is subject to the terms of a financial assistance contract between the Santa Cruz Metropolitan Transit District and the Federal Transit Administration (FTA) of the United States Department of Transportation

2.0 INTEREST TO MEMBERS OF OR DELEGATES TO CONGRESS

In accordance with 18 U.S.C. 431, no member of, nor delegates to, the Congress of the United States shall be admitted to a share or part of this Contract or to any benefit arising there from.

3.0 INELIGIBLE CONTRACTORS

Neither Contractor, subcontractor, nor any officer or controlling interest holder of Contractor or subcontractor, is currently, or has been previously, on any debarred bidders list maintained by the United States Government

4.0 EQUAL EMPLOYMENT OPPORTUNITY (Not applicable to contracts for standard commercial supplies and raw materials)

In connection with the execution of this Contract, the Contractor shall not discriminate against any employee or application for employment because of race, religion, color, sex, age (40 or over), national origin, pregnancy, ancestry, marital status, medical condition, physical handicap, sexual orientation, or citizenship status. The Contractor shall take affirmative action to insure that applicants employed and that employees are treated during their employment, without regard to their race, religion, color, sex national origin, etc. Such actions shall include, but not be limited to the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and, selection for training including apprenticeship Contractor further agrees to insert a similar provision in all subcontracts, except subcontracts for standard commercial supplies or raw materials

5.0 TITLE VI CIVIL RIGHTS ACT OF 1964

During the performance of this Contract, the Contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

5.1 Compliance with Regulations

The Contractor shall comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the "Regulations"), which are herein incorporated by reference and made a part of this Contract

5.2 Nondiscrimination

The Contractor, with regard to the work performed by it during the Contract, shall not discriminate on the grounds of race, religion, color, sex, age or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor shall not participate either directly or indirectly in the discrimination prohibited in Section 21.5 of

the Regulations, including employment practices when the Contract covers a program set forth in Appendix B of the regulations.

5.3 Solicitations for Subcontracts, Including Procurements of Materials and Equipment

In all solicitations either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the Contractor of the Contractor's obligations under this Contract and the Regulations relative to nondiscrimination on the grounds of race, religion, color, sex, age or national origin.

5.4 Information and Reports

The Contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the District or the Federal Transit Administration (FTA) to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information is required or a Contractor is in the exclusive possession of another who fails or refuses to furnish this information, the Contractor shall so certify to the District, or the Federal Transit Administration, as appropriate, and shall set forth what efforts it has made to obtain the information.

5.5 Sanctions for Noncompliance

In the event of the Contractor's noncompliance with the nondiscrimination provisions of this Contract, the District shall impose such contract sanctions as it or the Federal Transit Administration may determine to be appropriate, including, but not limited to:

- (a) Withholding of payments to the Contractor under the Contract until the Contractor complies; and/or,
- (b) Cancellation, termination or suspension of the Contract, in whole or in part.

5.6 Incorporation of Provisions

The Contractor shall include the provisions of Paragraphs (1) through (6) of this section in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The Contractor shall take such action with respect to any subcontract or procurement as the District or the Federal Transit Administration may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the Contractor may require the District to enter into such litigation to protect the interests of the District, and, in addition, the Contractor may request the services of the Attorney General in such litigation to protect the interests of the United States

6.0 CLEAN AIR AND FEDERAL WATER POLLUTION CONTROL ACTS (Applicable only to contracts in excess of \$100,000)

Contractor shall comply with all applicable standards, orders or requirements issued under Section 306 of the Clean Air Act (42 USC 1857[h]), Section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738, and Environmental Protection Agency Regulations (40 CFR, Part 15), which prohibit the use under non-exempt Federal contracts, grants or loans of facilities included on the EPA List of Violating Facilities. Contractor shall report all violations to FTA and to the USEPA Assistant Administrator for Enforcement (EN0329).

7.0 CONSERVATION

Contractor shall recognize mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 USC Section 6321, et seq.).

8.0 AUDIT AND INSPECTION OF RECORDS (Applicable only to sole source or negotiated contracts in excess of \$10,000)

Contractor agrees that the District, the Comptroller General of the United States, or any of their duly authorized representatives shall, for the purpose of audit and examination, be permitted to inspect all work, materials, payrolls and other data and records with regard to the project, and to audit the books, records and accounts with regard to the project. Further, Contractor agrees to maintain all required records for at least three years after District makes final payments and all other pending matters are closed.

9.0 LABOR PROVISIONS (Applicable only to contracts of \$2,500.00 or more that involve the employment of mechanics or laborers)

9.1 Overtime Requirements

No Contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any work week in which he or she is employed on such work to work in excess of eight (8) hours in any calendar day or in excess of forty (40) hours in such work week unless such laborer or mechanic receives compensation at a rate not less than one and one-half (1 1/2) times the basic rate of pay for all hours worked in excess of eight (8) hours in any calendar day or in excess of forty (40) hours in such work week, whichever is greater.

9.2 Violation; Liability for Unpaid Wages; Liquidated Damages

In the event of any violation of the clause set forth in subparagraph (b)(1) of 29 CFR Section 5.5, the Contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such Contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such district or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (b)(1) of which such individual was required or permitted to work in excess of eight (8) hours in excess of the standard work week of forty (40) hours without payment of the overtime wages required by the clause set forth in subparagraph (b)(1) of 29 CFR Section 5.5.

9.3 Withholding for Unpaid Wages and Liquidated Damages

DOT or the District shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any monies payable on account of work performed by the Contractor or subcontractor under any such contract or any other Federal contract with the same prime Contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime Contractor, such sums as may be determined to be necessary to satisfy any liabilities of such Contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b)(2) of 29 CFR Section 5.5.

9.4 Non-Construction Grants

The Contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three (3) years from the completion of

the Contract for all laborers and mechanics, including guards and watchmen, working on the Contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made and actual wages paid. Further, the District shall require the contracting officer to insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the Contractor or subcontractor for inspection, copying or transcription by authorized representatives of DOI and the Department of Labor, and the Contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

9.5 Subcontracts

The Contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (5) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (5) of this paragraph

10.0 CARGO PREFERENCE (Applicable only to Contracts under which equipment, materials or commodities may be transported by ocean vehicle in carrying out the project)

The Contractor agrees:

- 10.1 To utilize privately owned United States-flag commercial vessels to ship at least fifty percent (50%) of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners and tankers) involved, whenever shipping any equipment, materials or commodities pursuant to this section, to the extent such vessels are available at fair and reasonable rates for United States- flag commercial vessels
- 10.2 To furnish within 30 days following the date of loading for shipments originating within the United States, or within thirty (30) working days following the date of loading for shipment originating outside the United States, a legible copy of a rated, "on-board" commercial ocean bill-of-lading in English for each shipment of cargo described in paragraph (1) above, to the District (through the prime Contractor in the case of subcontractor bills-of-lading) and to the Division of National Cargo, Office of Market Development, Maritime Administration, 400 Seventh Street, S.W., Washington D. C 20590, marked with appropriate identification of the project
- 10.3 To insert the substance of the provisions of this clause in all subcontracts issued pursuant to this Contract.

11.0 BUY AMERICA PROVISION

This procurement is subject to the Federal Transportation Administration Buy America Requirements in 49 CFR 661. A Buy America Certificate, if required format (see Form of Proposal or Bid Form) must be completed and submitted with the proposal. A proposal that does not include the certificate shall be considered non-responsive. A waiver from the Buy America Provision may be sought by the District if grounds for the waiver exist. Section 165a of the Surface Transportation Act of 1982 permits FTA participation on this Contract only if steel and manufactured products used in the Contract are produced in the United States. In order for rolling stock to qualify as a domestic end product, the cost of components produced in the United States must exceed sixty percent (60%) of the cost of all components, and final assembly must take place in the United States.

12.0 DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION

12.1 Policy

It is the policy of the U.S. Department of Transportation that Disadvantaged Business Enterprises as defined in 49 CFR Part 26 shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with Federal funds under this Agreement. Consequently, the DBE requirements of 49 CFR Part 26 apply to this Agreement.

12.2 DBE Obligation

District and Contractor agree to insure that Disadvantaged Business Enterprises as defined in 49 CFR Part 26 have the maximum opportunity to participate in the performance of contracts and subcontracts under this Agreement. In this regard, District and Contractor shall take all necessary and reasonable steps in accordance with 49 CFR Part 26 to insure that Disadvantaged Business Enterprises have the maximum opportunity to compete for and perform Contracts. District and Contractor shall not discriminate on the basis of race, creed, color, national origin, age or sex in the award and performance of DOT-assisted Contracts.

12.3 Transit Vehicle Manufacturers

Transit vehicle manufacturers must certify compliance with DBE regulations.

13.0 CONFLICT OF INTEREST

No employee, officer or agent of the District shall participate in selection, or in the award of administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when (1) the employee, officer or agent; (2) any member of his or her immediate family; (3) his or her partner; or (4) an organization that employs, or is about to employ, has a financial or other interest in the firm selected for award. The District's officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from Contractors, potential Contractors or parties of sub agreements.

14.0 MOTOR VEHICLE EMISSION REQUIREMENTS (Applicable only to Contracts involving the purchase of new motor vehicles)

The Contractor must provide a certification that:

- (a) The horsepower of the vehicle is adequate for the speed, range, and terrain in which it will be required and also to meet the demands of all auxiliary equipment.
- (b) All gases and vapors emanating from the crankcase of a spark-ignition engine are controlled to minimize their escape into the atmosphere
- (c) Visible emission from the exhaust will not exceed No. 1 on the Ringlemann Scale when measured six inches (6") from the tail pipe with the vehicle in steady operation
- (d) When the vehicle has been idled for three (3) minutes and then accelerated to eighty percent (80%) of rated speed under load, the opacity of the exhaust will not exceed No. 2 on the Ringlemann Scale for more than five (5) seconds, and not more than No. 1 on the Ringlemann Scale thereafter.

15.0 MOTOR VEHICLE SAFETY STANDARDS (Applicable only to contracts involving the purchase of new motor vehicles)

The Contractor will assure that the motor vehicles purchased under this contract will comply with the Motor Vehicle Safety Standards as established by the Department of Transportation at 49 CFR Parts 390 and 571

16.0 DEBARRED BIDDERS

The Contractor, including any of its officers or holders of a controlling interest, is obligated to inform the District whether or not it is or has been on any debarred bidders' list maintained by the United States Government. Should the Contractor be included on such a list during the performance of this project, Contractor shall so inform the District.

17.0 PRIVACY (Applicable only to Contracts involving the administration of any system of records as defined by the Privacy Act of 1974, on behalf of the Federal Government)

17.1 General

The District and Contractor agree:

- (a) To comply with the Privacy Act of 1974, 5 U.S.C. 552a (the Act) and the rules and regulations issued pursuant to the Act when performance under the Contract involves the design, development or operation of any system of records on individuals to be operated by the District, its contractors or employees to accomplish a Government function.
- (b) To notify the Government when the District or Contractor anticipates operating a system of records on behalf of the Government in order to accomplish the requirements of this Agreement, if such system contains information about individuals which information will be retrieved by the individual's name or other identifier assigned to the individual. A system of records subject to the Act may not be employed in the performance of this Agreement until the necessary approval and publication requirements applicable to the system have been carried out. The District or Contractor, as appropriate, agrees to correct, maintain, disseminate, and use such records in accordance with the requirements of the Act, and to comply with all applicable requirements of the Act.
- (c) To include the Privacy Act Notification contained in this Agreement in every subcontract solicitation and in every subcontract when the performance of Work under the proposed subcontract may involve the design, development or operation of a system of records on individuals that is to be operated under the Contract to accomplish a Government function; and
- (d) To include this clause, including this paragraph in all in subcontracts under which Work for this Agreement is performed or which is awarded pursuant to this Agreement or which may involve the design, development, or operation of such a system of records on behalf of the Government.

17.2 Applicability

For purposes of the Privacy Act, when the Agreement involves the operation of a system of records on individuals to accomplish a Government function, the District, third party contractors and any of their employees are considered to be employees of the Government with respect to the Government function and the requirements of the Act, including the civil and criminal penalties for violations of the Act, are applicable except that the criminal penalties shall not apply with regard to contracts effective prior to September 27, 1975. In addition, failure to comply with the provisions of the Act or of this clause will make this Agreement subject to termination.

17.3 Definitions

The terms used in this clause have the following meanings:

- (a) "Operation of a system of records" means performance of any of the activities associated with maintaining the system of records on behalf of the Government including the collection, use and dissemination of records.
- (b) "Records" means any item, collection or grouping of information about an individual that is maintained by the District or Contractor on behalf of the Government, including, but not limited to, his education, financial transactions, medical history, and criminal or employment history and that contains his name, or the identifying number, symbol or other identifying particular assigned to the individual, such as a finger or voice print or a photograph.
- (c) "System of records" on individuals means a group of any records under the control of the District or Contractor on behalf of the Government from which information is retrieved by the name of the individual or by some identifying number, symbol or other identifying particular assigned to the individual.

18.0 PATENT RIGHTS (Applicable only to research and development contracts)

If any invention, improvement or discovery of the District or contractors or subcontractors is conceived or first actually reduced to practice in the course of or under this project which invention, improvement, or discovery may be patentable under the Patent Laws of the United States of America or any foreign country, the District (with appropriate assistance of any contractor or subcontractor involved) shall immediately notify the Government (FTA) and provide a detailed report. The rights and responsibilities of the District, third party contractors and subcontractors and the Government with respect to such invention will be determined in accordance with applicable Federal laws, regulations, policies and any waivers thereof.

19.0 RIGHTS IN DATA (Applicable only to research and development contracts)

The term "subject data" as used herein means recorded information, whether or not copyrighted, that is delivered or specified to be delivered under this Contract. The term includes graphic or pictorial delineation in media such as drawings or photographs; text in specifications or related performance or design-type documents, machine forms such as punched cards, magnetic tape or computer memory printouts; and information retained in computer memory. Examples include, but are not limited to, engineering drawings and associated lists, specifications, standards, process sheets, manuals, technical reports, catalog item identifications and related information. The term does not include financial reports, cost analyses and similar information incidental to contract administration.

All "subject data" first produced in the performance of this Agreement shall be the sole property of the Government. The District and Contractor agree not to assert any rights at common law or equity and not to establish any claim to statutory copyright in such data. Except for its own internal use, the District and Contractor shall not publish or reproduce such data in whole or in part, or in any manner or form, nor authorize others to do so, without the written consent of the Government until such time as the Government may have released such data to the public. This restriction, however, does not apply to Agreements with academic institutions.

The District and Contractor agree to grant and do hereby grant to the Government and to its officers, agents, and employees acting within the scope of their official duties, a royalty-free, non-exclusive and irrevocable license throughout the world:

- (a) To publish, translate, reproduce, deliver, perform, use and dispose of, in any manner, any and all data not first produced or composed in the performance of this Contract but which is incorporated in the work furnished under this Contract; and
- (b) To authorize others so to do.

District and Contractor shall indemnify and save and hold harmless the Government, its officers, agents, and employees acting within the scope of their official duties against any liability, including costs and

expenses, resulting from any willful or intentional violation by the District and Contractor of proprietary rights, copyrights or rights of privacy, arising out of the publication, translation, reproduction, delivery, performance, use, or disposition of any data furnished under this Contract.

Nothing contained in this clause shall imply a license to the Government under any patent or be construed as affecting the scope of any license or other right otherwise granted to the Government under any patent

The third and fourth paragraphs under Section 19.0 above are not applicable to material furnished to the District or Contractor by the Government and incorporated in the work furnished under the Contract, provided that such incorporated material is identified by the District or Contractor at the time of delivery of such work

In the event that the project, which is the subject of this Agreement, is not completed, for any reason whatsoever, all data generated under that project shall become subject data as defined in the Rights in Data clause in this Contract and shall be delivered as the Government may direct. This clause shall be included in all subcontracts under this Contract

20.0 NEW RESTRICTIONS ON LOBBYING

20.1 Prohibition

- (a) Section 1352 of Title 31, U.S. Code, provides in part that no appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement
- (b) The prohibition does not apply as follows:
 - (i) Agency and legislative liaison by Own Employees.
 - (ii) Professional and technical services by Own Employees.
 - (iii) Reporting for Own Employees
 - (iv) Professional and technical services by Other than Own Employees.

20.2 Disclosure

- (a) Each person who requests or receives from an agency a Federal contract shall file with that agency a certification, included in Form of Proposal or Bid Forms, that the person has not made, and will not make, any payment prohibited by Section 20.1 of this clause.
- (b) Each person who requests or receives from an agency a Federal contract shall file with that agency a disclosure form, Standard Form-LLL, "Disclosure of Lobbying Activities," if such person has made or has agreed to make any payment using non-appropriated funds (to include profits from any covered Federal action), which would be prohibited under Section 20.1 of this clause if paid for with appropriated funds.
- (c) Each person shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed by such person under paragraph

(c)(2) of this section An event that materially affects the accuracy of the information reported includes:

- (i) a cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered Federal action; or
 - (ii) a change in the person(s) or individual(s) influencing or attempting to influence a covered Federal action; or
 - (iii) a change in the officer(s), employee(s), or Member(s) contacted to influence or attempt to influence a covered Federal action.
- (d) Any person who requests or receives from a person referred to in paragraph (c)(i) of this section a subcontract exceeding \$100,000 at any tier under a Federal contract shall file a certification, and a disclosure form, if required, to the next tier above.
- (e) All disclosure forms, but not certifications, shall be forwarded from tier to tier until received by the person referred to in paragraph (c)(i) of this section That person shall forward all disclosure forms to the agency

20.3 Agreement

In accepting any contract resulting from this solicitation, the person submitting the offer agrees not to make any payment prohibited by this clause.

20.4 Penalties.

- (a) Any person who makes an expenditure prohibited under Section 20.1 of this clause shall be subject to a civil penalty of not less than \$10,000 for each such expenditure
- (b) Any person who fails to file or amend the disclosure form to be filed or amended if required by this clause, shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure
- (c) Contractors may rely without liability on the representations made by their sub- contractors in the certification and disclosure form.

20.5 Cost Allow Ability

Nothing in this clause is to be interpreted to make allowable or reasonable any costs which would be unallowable or unreasonable in accordance with Part 31 of the Federal Acquisition Regulation. Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any of the provisions of Part 31 of the Federal Acquisition Regulation.

PART VII

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT PROTEST PROCEDURES

PROCUREMENT PROTESTS

All protests shall be filed, handled and resolved in a manner consistent with the requirements of Federal Transit Administration (FTA) Circular 4220.1E Third Party Contracting Guidelines dated June 19, 2003 and the Santa Cruz Metropolitan Transit District's (DISTRICT) Protest Procedures which are on file and available upon request.

Current FTA Policy states that: "Reviews of protests by FTA will be limited to:

- (1) a grantee's failure to have or follow its protest procedures, or its failure to review a complaint or protest; or
- (2) violation of Federal law or regulation.

An appeal to FTA must be received by the cognizant FTA regional or Headquarters Office within five (5) working days of the date the protester learned or should have learned of an adverse decision by the grantee or other basis of appeal to FTA" (FTA Circular 4220.1E, Section 7, paragraph 1, Written Protest Procedures)

Protests relating to the content of this Request for Proposal (RFP) package must be filed within ten (10) calendar days after the date the RFP is first advertised. Protests relating to a recommendation for award solicited by this RFP must be filed by an interested party within five (5) calendar days after the staff's written recommendation and notice of intent to award is issued to the offerors. The date of filing shall be the date of receipt of protests or appeals by the DISTRICT.

All Protests shall be filed in writing with the Assistant General Manager, Santa Cruz Metropolitan Transit District, 370 Encinal Street, Suite 100, Santa Cruz, CA 95060. **No other location shall be acceptable.** The DISTRICT will respond in detail to each substantive issue raised in the protest. The Assistant General Manager shall make a determination on the protest normally within ten (10) working days from receipt of protest. Any decision rendered by the Assistant General Manager may be appealed to the Board of Directors. The Protester has the right within five (5) working days of receipt of determination to file an appeal restating the basis of the protest and the grounds of the appeal. In the appeal, the Protester shall only be permitted to raise factual information previously provided in the protest or discovered subsequent to the Assistant General Manager's decision and directly related to the grounds of the protest. The Board of Directors has the authority to make a final determination and the Board of Director's decision shall constitute the DISTRICT's final administrative remedy.

In the event the protestor is not satisfied with the DISTRICT's final administrative determination, they may proceed within 90 days of the final decision to State Court for judicial relief. The Superior Court of the State of California for the County of Santa Cruz is the appropriate judicial authority having jurisdiction over Proposal Protest(s) and Appeal(s). Bid includes the term "offer" or "proposal" as used in the context of negotiated procurements

The Offeror may withdraw its protest or appeal at any time before the DISTRICT issues a final decision.

Should the DISTRICT postpone the date of proposal submission owing to a protest or appeal of the solicitation specifications, addenda, dates or any other issue relating to this procurement, the DISTRICT shall notify, via addendum, all parties who are on record as having obtained a copy of the solicitation documents that an appeal/protest had been filed, and the due date for proposal submission shall be postponed until the DISTRICT has issued its final decision.

A letter of protest must set forth the grounds for protest and shall be fully supported with technical data, test results, or other pertinent information related to the subject being protested. The Protestor is responsible for adhering to the DISTRICT's protest procedures.

An Offeror may seek FTA review of the DISTRICT's decision. A protest appeal to the FTA must be filed in accordance with the provisions of FTA circular 4220.1E. Any appeal to the FTA shall be made not later than five (5) working days after a final decision is rendered under the DISTRICT's protest procedure. Protest appeals should be filed with:

Federal Transit Administration
Regional Administrator Region IX
201 Mission Street, Suite 2210
San Francisco, CA 94105-1839

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Request for Proposals (RFP)
For Supplemental Paratransit Services
District RFP No. 06-08

ATTACHMENT 1
METRO PARACRUZ CUSTOMER'S GUIDE



METRO ParaCruz Customer Guide

Paratransit Plan of
Santa Cruz Metropolitan Transit District's
Americans with Disabilities Act
(ADA) Complementary Paratransit Service



This Guide serves as the official paratransit plan of the Santa Cruz Metropolitan Transit District and includes all the information needed to apply for and use METRO ParaCruz

METRO ParaCruz Customer Guide

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METRO ParaCruz Contact Numbers

TTY users: please connect through the California Relay Service

1-800-735-2929

| | |
|--|--|
| METRO ParaCruz | 425-4664 (voice) 464-5400 (FAX) |
| Paratransit Users Advocate | |
| Central Coast Center for Independent Living | 462-8720 (voice) 462-8729 (TTY) |
| METRO Accessible Services Coordinator (Mobility Training)..... | 423-3868 (voice) |
| METRO Ticket and Pass Program Specialist (Pre-paid ParaCruz tickets)..... | 425-3822(voice) |
| METRO Fixed Route Customer Service..... | 425-8600 (voice) |

If you need to telephone METRO ParaCruz for any reason, call (831) 425-4664.

Meeting Our Customers' Travel Needs

The Santa Cruz Metropolitan Transit District (METRO) provides mass public transit within Santa Cruz County. METRO operates a fleet of safe, clean, modern and accessible buses connecting people with educational, business, medical, shopping and social destinations. Most people are able to use these buses for some or all of their transportation. Modern accessibility features make METRO's buses easier to use than ever before. You do not have to climb steps to board METRO's newer local buses. The floor of the bus is close to the curb. The driver can lower a ramp to make it easy to board with a walker or wheelchair. The "talking bus" helps you find your way by announcing almost every bus stop along the way. People with physical, cognitive and psychiatric disabilities that prevent them from using the fixed route system some or all of the time may qualify for ADA complementary paratransit service (METRO ParaCruz).

Fixed Route Bus Service

All METRO buses have lifts or ramps to better serve riders who use wheelchairs or scooters, or have difficulty getting up and down the bus steps. All major stops, intersections, and connecting points are announced to help riders recognize their bus stop or points of transfer. A limited number of seats near the front of the bus are designated as priority seating for seniors and people with disabilities. Every bus is equipped with specialized equipment to securely transport customers using wheeled mobility devices. Drivers are trained to assist with securing wheeled mobility devices.

Many paratransit customers find that our fixed route buses provide greater flexibility and independence. For route and schedule information and any questions about using the METRO bus service, call METRO Customer Service at **425-8600** Monday through Friday from 8:00AM to 4:00PM.

METRO offers free training for people who want to learn to use the bus. For more information or to schedule training to use the bus, call the Accessible Services Coordinator at **423-3868**.

METRO ParaCruz Service

METRO ParaCruz operates to insure that people who have a physical, cognitive, or psychiatric disability that **prevents** them from making some or all of their trips on fixed route buses have a level of access to mass public transportation comparable to the rest of the community, as required by the Americans with Disability Act of 1990 (ADA).

This shared ride service is provided with ramp-equipped minivans and lift-equipped small buses. METRO ParaCruz service operates in the same areas and during the same days and hours as the fixed route bus service. Rides must be reserved at least one day in advance.

How to Apply for METRO ParaCruz Service

METRO ParaCruz service is limited to people who have been certified as meeting the strict eligibility criteria described in the ADA. The eligibility assessment includes an in-person transit evaluation in order to determine a person's functional ability to use fixed route bus service. You can be found eligible even if you live more than $\frac{3}{4}$ miles away from a bus route; however, ParaCruz will pick you up and drop you off within $\frac{3}{4}$ mile of an operating bus route. You will have to make other arrangements to travel beyond $\frac{3}{4}$ mile of an operating bus route. (See: *Service Area and Service Hours* on page 8) If, as a result of a disability, you can never use the fixed route buses under any conditions, you will be determined eligible and "unrestricted." If you can use fixed route buses for some trips, you may be determined eligible but "restricted" from those trips that you could make by bus. Restricted eligibility may be based on how your disability is impacted by environmental conditions, such as extreme weather or may be location specific, such as a destination at the top of a steep hill.

To apply, call the METRO ParaCruz Eligibility Coordinator at 425-4664 and schedule an appointment for a transit evaluation. Transit evaluations normally take about 30 minutes. If you need transportation to and from the evaluation, ParaCruz will provide it at no charge to you. The person who interviews you will discuss your travel abilities and needs. You may also ask any questions you have about the service.

Your eligibility determination will be postmarked within 7 days of the transit evaluation. If you are approved, a letter and ID card will be sent to you. If for any reason a decision is not made within 21 calendar days, METRO ParaCruz service will be provided until a final decision is made. **If you do not agree with the decision, you may appeal the decision to an independent appeals panel.**

METRO ParaCruz eligibility is good for a maximum of three years. Between 60 and 90 days prior to the customer's eligibility expiration date, a one-page form will be sent to the most current address on file with METRO ParaCruz. The customer is asked to verify that their condition still prevents them from using the fixed route bus and to verify their contact information and mobility device(s). Customers who indicate that they have had a change in their mobility or mobility device may be asked to attend another transit evaluation.

Immediate Needs

METRO recognizes that due to unforeseeable circumstances there may be times when a new customer may need transportation before they are able to complete the eligibility process. In these cases, the METRO ParaCruz Eligibility Coordinator may be able to arrange temporary eligibility for up to fourteen days while the customer goes through the eligibility determination process.

Temporary Disabilities

Temporary eligibility is provided to customers who have a limited term condition that prevents them from using the METRO bus system. Limited term eligibility may be provided for the expected duration of the disability. Should the disability continue longer than expected, the customer may request an extension of eligibility.

Appealing an Eligibility Determination

Applicants who believe an eligibility determination was made in error may appeal the decision. The applicant may initiate an appeal in writing (forms are included with eligibility denials) within 60 days of the determination. Address the appeal to:

**METRO ParaCruz Eligibility Coordinator
2880 Research Park Dr, Suite 160
Soquel, CA 95073**

Prior to your hearing, please provide additional information to assist the panel in making a determination:

- The reason you believe the determination was incorrect
- Any information you would like the appeals panel to consider supporting your request

An appeal hearing will be scheduled within 30 days of receipt of the appeal request.

Service for Visitors

Visitors to Santa Cruz County who have been determined eligible for ADA complementary paratransit services by a transit agency in another part of the country can use METRO ParaCruz for up to 21 days within a 365-day period. Visitors will be required to provide eligibility information from the transit system in their hometown. Visitors who do not have this kind of eligibility because they live in areas without public transit service will be asked for documentation of their disability and verification of their place of residence.

If you need to telephone METRO ParaCruz for any reason, call (831) 425-4664.

Visitors seeking to ride more than 21 days within a 365-day period will need to participate in the METRO ParaCruz transit evaluation process to continue to ride. (See: *How to Apply for METRO ParaCruz Service* on page 6).

METRO ParaCruz Service Area and Service Hours

METRO ParaCruz service mirrors the fixed route bus service. Like the bus, METRO ParaCruz is a *shared ride* service. The driver may pick up and drop off other passengers while you are on board. This is NOT a “time call” single occupancy taxi service. It operates in the same geographical area, on the same days, and at the same times of day as the fixed route bus service. If a person without a disability would be able to use the bus to get to your destination at the same time, ParaCruz service is available.

METRO ParaCruz rides must begin and end within $\frac{3}{4}$ mile of a bus line (other than HWY17 commuter service). METRO ParaCruz service is available the same days and times as bus service operates in that area. See METRO’s HEADWAYS for the most current information regarding when and where specific routes operate. The information is also available on the World Wide Web at <http://www.scmt.com>.

Neither METRO ParaCruz nor METRO’s regular bus service **operate**:

New Years Day, Thanksgiving Day, Christmas Day

Fares

The one-way fare for METRO ParaCruz service is currently \$3.00 (twice the adult fixed-route cash fare). Fares are set by the METRO Board of Directors and are subject to change.

Fare must be paid each time, before you board the vehicle. Customers who do not pay the fare will not be transported. Fares can be paid as:

- **Cash.** Exact fare only (no pennies, please). **Drivers cannot make change.**
- **Pre-paid METRO ParaCruz Tickets.**

Tickets may be purchased at the METRO Center Information Booth or by mail.

METRO ParaCruz Tickets
METRO Center
920 Pacific Avenue, Suite 21
Santa Cruz, CA 95060

If you need to telephone METRO ParaCruz for any reason, call (831) 425-4664.

Note: Drivers are *not permitted* to accept tips. If you would like to express your appreciation for the service that was provided please call 425-4664.

Reserving Rides on METRO ParaCruz

When to Reserve a Ride

You can reserve your METRO ParaCruz ride up to three days in advance of your trip. Reservation telephones are open seven days a week from 8:00AM until 5:00PM (except holidays). If you **must** call on a holiday to request a ride for the **next day**, you may leave a message with your ride request and the scheduler will call you back that evening between 5:00PM and 9:00PM to confirm your ride.

SCHEDULING TIPS

- When you call to schedule trips, please have a pen and paper handy so you can write down when you will need to be ready for the METRO ParaCruz vehicle.
- Have all of the information for each trip available when you call. This will help the reservationist serve you efficiently. If you are not certain of exactly when you will need your return pick up, give yourself some extra time.
- If you have an appointment, remember to allow some extra time to get from the METRO ParaCruz vehicle to your final destination. For example, if your appointment is at 9:00AM, you may want to tell the reservationist you would like to arrive no later than 8:45AM.
- Similarly, leave time to get to the place where the METRO ParaCruz vehicle will pick you up for your return trip. For example, if you work until 5:00PM, you might want to ask the reservationist for a pick-up no earlier than 5:15PM.

How to Reserve a Ride

To request a ride, call 425-4664 (TTY: connect through the California Relay Service 1-800-735-2929) one to three days in advance of your trip. During the busiest reservation times of the day you may reach a busy signal or be placed on hold until a reservationist can assist you. Hold times can be 2-3 minutes or longer.

Please DO NOT reserve trips you are not sure you will actually take. Changes and cancellations hurt everyone, by making ParaCruz service more expensive to provide.

The reservationist will guide you through the reservation process.

Please have the following information ready when you call to make a reservation:

If you need to telephone METRO ParaCruz for any reason, call (831) 425-4664.

1. Your first and last name.
2. The date and day of the week you need to ride.
3. The street address where you need to be picked up.
4. The street address or a known landmark where you are going and the telephone number (if you have it) or your cell phone number if you travel with one. If you will be going to a large facility with several entrances (such as a mall or large medical facility), please specify the entrance where you would like to be dropped off or picked up.
5. The time you would like to arrive (the appointment time, for example).
6. The time you will be ready to be picked up for a return trip
7. If you use a mobility aid such as a cane, walker, wheelchair or scooter. This will determine the type of seating that will be reserved for you. (See: *Wheelchairs and other Mobility Aids* on page 18 for information about the maximum sizes and weights our vehicles can accommodate.)
8. If a personal care attendant or guest(s) will be traveling with you, and whether or not your attendant or guest uses a mobility device.
9. If you will need a car seat for a child traveling with you. (No more than 3 children under 46 inches may travel per fare paying adult)
10. If a service animal will be riding with you.
11. If you will be using a collapsible wheeled cart for shopping.

Your “Ready Window”

After you have requested your trip(s), the reservationist will read your request back to you and inform you of the ready window (time within which you can expect the vehicle to arrive) for each one-way trip. This 30-minute period of time is called your *Ready Window*. You may arrive at your appointment a little early or be picked up later than you requested. After you have provided the above trip information, the reservationist will offer you one or more trip options. We will make every effort to offer you a drop-off time and return time that is as close as possible to the time you request. **Like the bus, METRO ParaCruz is a *shared-ride* service.** The driver may pick up and drop off other passengers while you are on board.

To ensure that the scheduling options offered will meet your needs as closely as possible, METRO ParaCruz established the following scheduling guidelines:

- Your ride should arrive at your destination point no more than 45 minutes before your requested drop-off time and no later than your requested drop-off time.
- A return pick-up should arrive no later than 60 minutes after the time you have requested and no earlier than that time.
- The evening before you travel, ParaCruz staff may call to request that you adjust your “Ready Window” in order to coordinate your trip with other customers along the route to your destination. Every effort will be made to assure that you arrive on time for your appointment.

Will-Call Returns

Please *schedule your return trip times whenever possible*. If you are taking a trip for an appointment and you do not know when you will be ready for a return trip, you may request a Will-Call return. You will need to call METRO ParaCruz at 425-4664 when you are ready to return. METRO ParaCruz will schedule a trip on the first available vehicle in your area. After a Will-Call return is activated, you may have to wait up to an hour or longer for the vehicle to arrive. Will-Call returns are only available during normal business hours. Will-Call returns cannot be activated after 7:00PM. All return trips after 7:00PM require a definite pickup time that coincides with the fixed route times serving the return address location. As time allows between the hours of 5:00PM and 7:00PM, ParaCruz staff will attempt to reach a customer at the telephone number of record to determine if the customer has arrived home safely.

Scheduling Multiple Trips

You may request up to three (3) round-trips per telephone call. If you have more than three trips you need to schedule, please call again to schedule these additional trips. If you are requesting trips with multiple stops, you may not reserve in excess of six (6) total “legs” during one call. This limit on scheduling has been set to minimize the telephone hold times for all customers. Scheduling each trip can take 3 minutes or longer. The limit on the number of trips scheduled at one time helps to keep the telephone lines from being tied up for long periods.

Subscription Service

In addition to “one time” or “casual” rides, METRO ParaCruz also offers Subscription Service. Federal regulations limit the availability of this type of service. If you need a ride to the *same place*, at the *same time*, at least once a week (going to work, attending a class or church, for example), “Subscription Service” may be a good option for you. This allows you to schedule these recurring trips with one call. You will then be automatically placed on the schedule each week with the same ready window, same pick up and destination. Customers desiring greater flexibility in their travel plans may prefer to reserve rides individually. Ask the reservationist about this option.

If you are receiving Subscription Service, it is important to *let us know in advance if you don't need a ride on a particular day*. This way, we can make the change on our schedules. For example, if you have Subscription Service for a trip to school each weekday, you need to keep us updated on holiday and vacation times when school is not in session. This will help us avoid unnecessary trips. If you don't cancel you will be charged with a “no show” (See: *No-Shows* on page 13).

It is important to let us know when your schedule changes. Excessive no shows, cancellations of or changes to subscription rides may result in removal from the subscription list.

You may put your subscription trip on “hold” for up to 30 days. Call METRO ParaCruz one week in advance to start up your subscription again. If you need to put your trips on hold for a period longer than 30 days, your subscription will be canceled and you will need to request a new subscription trip when it is again needed.

Only a limited number of subscription service slots are available. If we are unable to accommodate your request for subscription service, you will be put on a waiting list. You will be contacted when space becomes available. **While you are on the waiting list, you may continue to reserve trips individually.**

How to Change a Scheduled Ride

Remember, reservationists are available every day (except holidays) from 8:00AM until 5:00PM. If plans change and you need to adjust your ride times, destinations, seating type or other aspects of your trip, call METRO ParaCruz *before* 5:00PM the day prior to your trip.

Tell the reservationist you would like to change a ride that has already been requested. The reservationist will ask you:

- Your first and last name.
- The date, day of the week and time of the trip you are calling to change.
- The new times that you would like to schedule, or changes you would like to make.

The reservationist will try to accommodate your needs. Changes to your original ride request may result in adjustment to your ready window and ride time, subject to schedule availability. The reservationist will read back your new ready window and travel details.

If you must call on a holiday to change a ride for the next day, you may leave a message with the information and you will receive a call back that evening between 5:00PM and 9:00PM to confirm the change.

METRO ParaCruz cannot change pick-up times or pick-up/drop-off locations or your seating type on the day of your ride (for example; you reserve a ride planning to use a wheelchair, but sometimes travel without it. ParaCruz would expect you to travel in your wheelchair unless you changed the reservation before 5:00PM the day before you travel. Other passengers may be scheduled to ride in all available seats).

If you need to telephone METRO ParaCruz for any reason, call (831) 425-4664.

If Your Appointment is Running Late

Everyone has occasional circumstances **beyond their control** that can cause delays at a scheduled appointment. If your appointment is running later than you expected and you will not be ready for your scheduled return trip (or if you have missed your return ride), call METRO ParaCruz as soon as possible.

You will be asked for:

- Your name
- The time of your scheduled return trip pick-up
- The new time that you expect to be available for return.

METRO ParaCruz will attempt to adjust your return trip pick-up time and assign another vehicle to pick you up at a later time. **Because schedules are set the day before, there may be a delay of an hour or more before another vehicle is available to accommodate your trip.**

How to Cancel a Scheduled Ride

Please call and cancel the ride as soon as you know you will not be traveling to avoid being considered a no-show. No-shows can lead to a suspension of service. (See: *No-shows* on page 13)

Call METRO ParaCruz at 425-4664 between 6:00AM and 10:30PM.

If you need to cancel a trip on the day of your ride, please call at least one hour before the beginning of your Ready Window. It is important to notify METRO ParaCruz in time so that the driver does not make an unnecessary trip, and so you are not considered a no-show.

No-Shows

No-shows cause excess delays, inconvenience other riders, waste resources and increase operating costs. Generally, a “No-Show” costs METRO ParaCruz as much as if the customer had taken the trip. To emphasize the importance of avoiding “No-shows”, METRO ParaCruz has adopted the following “No-Show” Policy. Through this policy, a customer can have his/her service suspended for establishing a “pattern or practice” of missing scheduled trips which result in assessed “no-shows”.

A “No-Show” is defined as follows:

1. After scheduling a trip, the customer no longer needs the ride and fails to call and cancel at least one (1) hour before the start of the Ready Window

2. The ParaCruz vehicle arrives within the Ready Window, but the Operator cannot locate the customer at the requested pick-up location (as identified by the customer and accepted by the reservationist) within five (5) minutes; or
3. The vehicle arrives within the Ready Window but the customer is not ready to go within five (5) minutes and does not board the vehicle.

- **If a customer “No-Shows” for the first leg of a trip, any subsequent leg or return trip will not be canceled automatically and may result in an additional “No-Show” assessment if not canceled as required by this policy.**
- **If you miss a scheduled ride for any reason, be sure to call METRO ParaCruz to let them know whether or not you still want to keep other trips on that day.**
- If a schedule delay, bad weather, or breakdown causes the METRO ParaCruz service to be late or to miss a pick-up and you decide to find another way to your appointment, please call the METRO ParaCruz and tell them that you would still like a return ride.
- If it is determined by METRO ParaCruz that the “No-Show” was assessed appropriately the customer shall be notified and shall be advised of the No-Show Policy and the consequences of excessive “No-Shows”.
- When a customer has “No-Showed” 15% of his/her rides, including all assessed “No-Shows” within a rolling 90-day period and the actual number of “No-Shows” exceeds 3 during the period, he or she shall be notified of the intention to suspend paratransit service to him/her for a fourteen (14) day period.

If you exceed 15% No Shows within 90 days, your service may be suspended for fourteen (14) days.

Examples:

You take 15 rides and no show 3 times: 18 total, 16.67% no shows

You take 50 rides and no show 9 times: 59 total, 15.25% no shows

You take 70 rides and no show 13 times: 83 total, 15.66% no shows

You have the right to appeal this determination before any suspension would be imposed and may do so by providing either a written or oral request for an appeal hearing to:

METRO ParaCruz
2880 Research Park Drive, Suite 160
Soquel, CA 95073

Or you may telephone (831) 425-4664.

The request for an appeal hearing must be made within 10 days from the postmark date on the Letter of Intent to Suspend METRO ParaCruz Service.

If you need to telephone METRO ParaCruz for any reason, call (831) 425-4664.

If the customer does not appeal the suspension, the suspension shall be scheduled and the customer shall be notified of the dates of the suspension. The customer will be given notice 10 days prior to the suspension dates.

If a customer takes twenty-four (24) rides or more within a twelve (12) month period without being assessed a “No-Show”, he/she shall be allowed one round-trip ride free of charge.

What to Expect When the Vehicle Arrives

The METRO ParaCruz driver will arrive in a bus, van or minivan (sometimes a taxi sedan may be substituted for ambulatory customers). The driver will pull the vehicle up to the curb in front of the pick-up address you provided. *The vehicle may arrive any time within your Ready Window.* Please be ready to go when the vehicle arrives so that the driver can stay on schedule for all customers. If possible, wait in an area where you can see or hear the vehicle arrive or where the driver will be able to see you. If you do not appear at the scheduled time, the driver will come to the specified entrance of the building and make his presence known. The driver will wait up to five (5) minutes before departing.

Door-to-door service

Door-to-door service means that the driver will escort you from the designated street level entrance of the building you are being picked up from to the designated street level entrance of your destination. The driver is not allowed to enter your home, or to escort you beyond the street level entrance at your destination. If you travel with a personal care attendant (PCA), the driver will not provide assistance to the attendant beyond boarding and getting off the vehicle.

If you think it may be difficult for you to know when the METRO ParaCruz vehicles arrive (because of your disability or where you are being picked up), please let us know. We will work with you to identify possible ways to alert you to when vehicle arrives.

What the Driver Will Do:

- Arrive at your pick up location and wait for up to five minutes.
- Provide assistance from your front door to the vehicle. (If your pick up is from a skilled nursing or group facility, drivers will meet you at the front of the main lobby.)
- Provide assistance into and out of the vehicle.
- Operate the wheelchair ramp or lift.
- Assist with the securement of wheelchairs and mobility aids.

- Assist with safety belts
- Provide limited assistance with packages up to 30 pounds total. Driver must be able to load and unload them in one trip and without delaying the vehicle.
- Provide the customer with assistance to the street level entrance of your destination.

What the Driver Will Not Do:

- Drivers are not permitted to go inside your home to get you, nor inside the building at your destination.
- Drivers will not go beyond the lobby of a skilled nursing or group facility to search for a customer in the patient's room or other locations.
- Drivers are not permitted to perform health care duties such as assistance transferring from or to a wheelchair in the home, disconnecting medical equipment such as oxygen, or turning off appliances or televisions. The customer must arrange for a family member, personal care attendant or guest if these types of services are needed.
- Drivers may not go into your purse or wallet to get your fare. If you are unable to take your fare out of your purse or wallet, you may put your fare in a separate coin purse or envelope for the driver.
- Drivers do not provide assistance loading or unloading objects over 30 pounds. If you need assistance with objects over 30 pounds, please arrange for a personal care attendant or guest to assist you. Your assistant or guest must be able to load and unload them in one trip and without delaying the vehicle.
- Drivers are not allowed to lift passengers under any circumstances.
- Drivers are not permitted to take wheelchairs (over 30 pounds) up stairs or excessively steep ramps or driveways.
- Drivers do not accept tips. If you would like to express your appreciation for the service that was provided by a driver call METRO ParaCruz and ask to file a Customer Service Report.

To Check on Your Ride

If a ParaCruz vehicle has not arrived by the end of the Ready Window, you may call METRO ParaCruz and request an estimated arrival time. The dispatcher will contact the driver for you. If possible, stay in sight of the pick-up location, in case the vehicle arrives while you are calling. *Please do not call before the end of your ready window. Unnecessary phone calls create longer hold times for other callers and cause delays in important communication between dispatchers and drivers.*

Rider Tips

- Make sure that your address is clearly visible from the street, especially at night.
- If you are being picked up at a large building, make sure when you schedule your ride to tell the reservationist the entrance where you will be waiting.
- Carry needed medication with you in case your trip takes longer than expected.
- If you have a medical need, please bring a small snack with you in case the trip is longer than planned.

Personal Care Attendants

Some people need a Personal Care Attendant (PCA) to assist with personal care or tasks. A PCA is not required to pay a fare when traveling with you. Your PCA must get on and off the vehicle at the same places and times as you. The driver does not provide assistance to the attendant beyond boarding and getting off the vehicle.

For a PCA to ride free with you, your need for a PCA must be determined during the transit evaluation. If your condition has changed since your eligibility certification and you now require an attendant, call the ParaCruz Eligibility Coordinator for more information.

You will need to tell the reservationist when you schedule trips that you will be traveling with a PCA. This ensures that there will be room on the vehicle for you, your PCA, and other scheduled riders.

Guests

A guest is someone you want to bring along to share the trip, not someone you must bring to assist you with personal care or tasks. Guests must pay a fare when accompanying you, and must get on and off the vehicle at the same place and time as you.

If you make a reservation for them, you are always entitled to bring one guest with you. Reservations for additional guests will be accommodated only if there is enough space on the vehicle.

You will need to tell the reservationist when you schedule trips that you will be traveling with one or more guests. Drivers cannot add riders who do not have a reservation.

Children

Children under six (6) years of age will be considered for METRO ParaCruz eligibility based on the functional ability of both the accompanying adult and child (as a team) to use fixed route bus service. When an eligible child is traveling with an adult (who is serving as a personal care attendant), a fare must be paid for the child and the adult attendant rides free.

All children less than 46 inches tall must be accompanied by an adult. If traveling with an eligible fare-paying adult, children under 46 inches tall do not need to pay a fare. Not more than 3 children less than 46 inches may ride free with one fare paying adult.

The California Vehicle Code requires that children under six (6) years of age (or under 60 pounds) must travel in an approved child car seat. You are encouraged to use your own car seat if you have one. METRO ParaCruz has a limited number of child car seats available. Please let the reservationist know if you need one when scheduling your trip.

An adult accompanying a child on METRO ParaCruz is responsible for the child. Drivers can assist with securing child car seats, but are not permitted to carry children on or off of the vehicle for you. If you will need assistance with the child, please plan to bring someone else along to help you.

Wheelchairs and Other Wheeled Mobility Devices

METRO ParaCruz vehicles are designed to accommodate most wheelchairs and mobility aids. Wheelchairs and scooters will be secured upright/non-reclining, facing forward. All wheelchairs and scooters that are within the following limits (when occupied) will be transported:

- Not more than 30 inches wide
- Not more than 48 inches long
- Not more than 600 pounds (mobility device and passenger combined)

If your wheelchair or scooter exceeds these limits, we cannot guarantee that we will be able to accommodate your mobility device. Please keep this in mind when replacing or purchasing wheelchairs and scooters. If you are not sure whether or not your device is oversized, please contact METRO ParaCruz. We will arrange for a member of our staff to assess the size of your mobility device.

Respirators and Portable Oxygen Equipment

Portable oxygen equipment and portable respirators are permitted on METRO ParaCruz. The driver will assist you in securing this equipment on the vehicle. Drivers are not permitted, however, to assist you in using this equipment. If you need assistance with portable life support equipment, please arrange to bring a qualified attendant along with you.

Service Animals

Service Animals are welcome on METRO ParaCruz vehicles. Service animals include guide dogs, signal dogs, and other animals specially trained to work or perform specific tasks for persons with disabilities. Service Animals must be under the full control of the owner at all times. Service Animals must not misbehave, soil the vehicle, growl, harass or lick other customers. Service Animals shall not occupy vehicles seats and must ride on the floor in either a sit or “down” position. Be sure to inform the reservationist when you are scheduling a ride if you will be traveling with a service animal.

Pets and Companion Animals

Pets and companion animals may ride on METRO ParaCruz only if they are in a carrier specifically designed for that purpose and under the full control of their owner. Drivers are not permitted to carry carriers (including the animal) heavier than 30 pounds on or off of METRO ParaCruz vehicles. If you need assistance with a caged pet, please arrange to travel with someone who can help you.

Safety Belts and Securement Devices

For your safety and security, the California Vehicle Code requires that all passengers use available restraint equipment and remain seated while riding on ParaCruz vehicles.

Packages and Personal Items

You may bring grocery bags, luggage, or other packages or personal items with you on METRO ParaCruz. No item may be greater than five (5) feet in any dimension. Drivers will assist with loading and unloading of packages and personal items weighing no more than 30 pounds, but must maintain sight of their vehicle. You may bring packages in excess of this limit onboard the vehicle, but you and/or your assistant or guest must be able to load and unload them in one trip and without delaying the vehicle. Also, keep in mind that this is a shared-ride service and space is limited. Grocery store shopping carts are not permitted on vehicles, but you may bring packages on-board in personal two-wheeled, collapsible carts. Please let the reservationist know that you are bringing a cart.

Lost and Found Items

Lost and found items may be inquired for by calling METRO information at 425-8600 (TTY 1-800-735-2929). Drivers or information staff should not be asked to use vehicle radios to check on lost items except in extreme emergencies.

Found items should be available for pick up by 1:00PM the following day at Pacific Station (METRO Center) information booth. The information booth is open Monday through Friday between the hours of 8:00AM and 4:00PM.

Inclement Weather and Natural Disasters

METRO reserves the right to suspend, modify or cancel service during times of hazardous weather conditions or natural disasters which may jeopardize the safety of our passengers and employees. If service is suspended METRO ParaCruz will make every effort to contact scheduled riders to advise them of service suspension.

If you are traveling during inclement weather, be sure to prepare for longer ride times. Bring any medication you may need. If you have a medical need, bring a small snack with you in the event your trip takes longer than expected. If you use a power wheelchair or scooter, please carry a plastic bag or other protector large enough to cover the electronic controls while boarding and getting off the vehicle.

Rider Courtesy

METRO has a list of common-sense rules to ensure the safety and comfort of all riders and drivers. We ask that riders observe the following Rules of Conduct:

- Please have your fare and ParaCruz ID ready when the vehicle arrives.
- Smoking is not permitted on, or within forty (40) feet of, the vehicles.
- Please travel fragrance free.
- Please be sure that wheelchairs are clean, safe and in good working order.
- Exposed sores or open wounds are not permitted.
- No leaking or dripping bodily fluids
- No clothing soiled with bodily discharge
- No eating or drinking on-board (unless required for health reasons).
- No possession of illegal drugs or open containers of alcohol.
- No riding under the influence of alcohol or illegal drugs.
- No abusive, threatening, or obscene language or actions.
- No physical or verbal abuse of another rider or the driver.
- No petting guide dogs or other service animals without the permission of the owner.
- No playing of radios, cassette tape players, mp3 players, or compact disc players (without earphones), or other noisy equipment while on-board.
- No operating or tampering with any vehicle equipment while on-board.

Riders who engage in verbal or physical abuse or cause injury to another rider, driver, or other METRO ParaCruz staff member, or who engage in other illegal or disruptive activities may be subject to immediate and permanent suspension of METRO ParaCruz service.

Any rider who is suspended from service will be notified in writing and will be given an opportunity to appeal the suspension.

Suggestions, Comments, Compliments and Complaints

Feedback about METRO ParaCruz service is encouraged.

If you have a comment or complaint about a particular trip or reservation experience, please call and ask to file a Customer Service Report.

Comments about service policies may be directed to the Paratransit Administrator by phone or in writing to:

**Paratransit Administrator
2880 Research Park Dr, Suite 160
Soquel, CA 95073**

To allow us to follow-up on your comments or suggestions, please be specific and provide us with the following information:

- Your name, mailing address, and telephone number.
- The date, time, and location of the incident.
- The vehicle number, driver's ID or both (if possible).
- If concerning METRO ParaCruz office staff, the time of your conversation with them and the name or number of the employee.
- A detailed explanation of the incident or suggestion.

All Customer Service Reports will be investigated and you will be provided with the findings of your report within thirty (30) days.

Advisory Body and Public Participation

The METRO Advisory Committee (MAC) is the officially recognized advisory body for METRO ParaCruz service. MAC meetings are held once a month and are open to the public. For more information, contact the Administrative Services Coordinator at (831) 426-6080.

Paratransit Users Advocate

The Paratransit Users Advocate is available to assist customers with addressing METRO ParaCruz service issues.

You may request assistance with a policy issue, a service requirement, make a comment or complaint, or, if you wish, you may file a complaint or comment anonymously.

You may contact the Paratransit Users Advocate at:

Central Coast Center for Independent Living (CCCIL)

1395 41st Avenue, Suite B

Capitola, CA 95010

Email: CCCIL@cccil.org

Phone: 831-462-8720 (TTY 831-462-8729)

Glossary of METRO ParaCruz Terms

ADA Complementary Paratransit (METRO ParaCruz): The Americans with Disabilities Act (ADA) requires public providers of fixed route bus service to make transportation service available to persons with disabilities who are unable to use accessible fixed route bus service. METRO ParaCruz is the name given to the ADA Complementary Paratransit provided by the Santa Cruz Metropolitan Transit District (METRO). METRO ParaCruz service must be “comparable” to fixed route service in seven key areas: service area, days and hours of service, fares, response time, travel time, trip purpose restrictions, and capacity constraints.

Appeals Process: The opportunity available to an METRO ParaCruz customer to dispute, before an independent panel, METRO decisions regarding his/her eligibility for service or suspension of service due to no-shows.

Cancellation: A cancellation is notification from a customer to METRO ParaCruz that he/she will not need a ride previously reserved. Cancellations should be made as early as possible, but *must* be made no later than one hour prior to the beginning of the Ready Window.

Driver Wait Time:

A period of five minutes, beginning when the driver arrives at the specified pick up location, during which the driver will wait for the customer before departing. The vehicle may arrive at any time during the Ready Window for a particular trip; the driver will wait for the customer for up to five minutes after that time before leaving to pick up the next customer. The customer will be charged with a “no show” if the customer is not at the vehicle and ready to board by the end of the driver wait time.

METRO Accessible Services Coordinator: The staff person responsible for providing training and support for persons wanting to learn how to use METRO’s fixed-route transit system and its accessible features and services.

METRO ParaCruz Eligibility: METRO ParaCruz service is limited to:
Certified individuals who, because of a disability, are unable to board, ride, or exit independently from an accessible fixed route bus
Certified individuals who, because of a disability, are unable to travel to or from a bus stop
Visitors to the METRO service area who are eligible for ADA complementary paratransit service in another community
Personal Care Attendants and guests of ADA-eligible individuals traveling with certified individuals (boarding and getting off the vehicle at the same time and place as the certified passenger).

METRO ParaCruz Eligibility Coordinator: The staff person responsible for overseeing the METRO ParaCruz eligibility determination process.

METRO Paratransit Administrator: The manager responsible for overseeing all aspects of the administration and delivery of METRO ParaCruz service.

Paratransit Users Advocate: The Central Coast Center for Independent Living (CCCIL) will act as a liaison, when needed, between METRO ParaCruz service customers and METRO with regard to service issues.

No-show: After scheduling a trip, the customer no longer needs the ride and fails to call and cancel at least one (1) hour before the start of the Ready Window OR the ParaCruz vehicle arrives within the Ready Window, but the Operator cannot locate the customer at the requested pick-up location (as identified by the customer and accepted by the reservationist) within five (5) minutes; OR the vehicle arrives within the Ready Window but the customer is not ready to go within five (5) minutes and does not board the vehicle.

Ready Window: A 30-minute period of time surrounding a negotiated METRO ParaCruz pick-up time (10-minutes before and 20-minutes after), during which the vehicle will arrive at the pick-up location. Example: for a requested pick-up time of 9:00AM, the Ready Window would be from 8:50AM to 9:20AM. The customer needs to be ready to board and waiting for the vehicle throughout the Ready Window.

Seating Type: During the reservation process, you will be asked to confirm whether or not you will be traveling with any mobility aids, such as cane, walker, wheelchair or scooter. Based on information you provide, the reservationist will reserve specific space within the METRO ParaCruz vehicle. (For example; you reserve a ride planning to use a wheelchair, but sometimes travel without it. ParaCruz would expect you to travel in your wheelchair unless you changed the reservation before 5:00PM the day before you travel. Other passengers may be scheduled to ride in all available seats).

Subscription Service: A standing reservation for a trip to the same place at the same time, at least once a week.

TTY: Text Telephone. A text messaging communication device that operates through the telephone system, frequently used by persons with hearing or speech impairment as an alternative to the telephone. Text messaging functions similar to computerized instant messaging.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Request for Proposals (RFP)
For Supplemental Paratransit Services
District RFP No. 06-08

ATTACHMENT 2
METRO PARACRUZ POLICIES AND PROCEDURES



Operating Policies and Procedures Santa Cruz METRO ParaCruz (ADA Complementary Paratransit Service)

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**Operating Policies and Procedures
Santa Cruz METRO ParaCruz
(ADA Complementary Paratransit Service)**

I. DEFINITIONS

ADA Complementary Paratransit

The Americans with Disabilities Act (ADA) requires public providers of fixed route bus service to make transportation service available to persons with disabilities who are unable to use accessible fixed route bus service. ADA Paratransit service must be “comparable” to fixed route service in six key areas: service area, days and hours of service, fares, response time, trip purpose restrictions, and capacity constraints.

ADA Paratransit Administrator

The METRO staff person responsible for overseeing all aspects of the administration and delivery of METRO ADA Paratransit service.

ADA Paratransit Eligibility

Four categories of persons seeking transportation in the METRO service area are eligible for ADA Paratransit service:

1. Individuals who, because of a disability, are unable to board, ride, or exit independently from an accessible fixed route bus
2. Individuals who, because of a disability, are unable to travel to or from a bus stop
3. Visitors to the METRO service area who are eligible for ADA Paratransit service in another community, and visitors with disabilities who are unable to use the METRO bus system
4. Personal Care Attendants and companions of ADA-eligible individuals

ADA Paratransit Eligibility Coordinator

The METRO staff person responsible for overseeing METRO's ADA Paratransit eligibility determination process.

ADA Paratransit Ombudsman

The Central Coast Center for Independent Living (CCCIL) will act as a liaison, when needed, between ADA Paratransit service riders and METRO with regard to service issues.

Advance Cancellation

Advance notification from a rider to the Contractor that he/she will not be needing a scheduled ride. Cancellations should be made as early as possible, but *must* be made no later than one hour prior to a scheduled ride.

Appeals Process

The opportunity available to an ADA Paratransit rider to dispute, before an independent panel, METRO decisions regarding his/her:

- Eligibility for service
- Recorded no-show
- Suspension of service due to no-shows

Common wheelchair

Any mobility device that does not exceed 30 inches in width and 48 inches in length measured two inches above the ground and extending to the height 30 inches minimum above the floor or platform surface when, with a maximum weight of 600 pounds for the device and the user combined, including three- and four-wheeled scooters and other non-traditional mobility devices.

Driver Wait Time

A period of five minutes after the arrival of the vehicle at the pick-up location during which the driver will wait for the rider before departing. The vehicle may arrive at any time during the Ready Window for a particular trip. The driver will wait for the rider for five minutes after reaching the pick up location and announcing their presence.

Guest/Companion

An individual accompanying a METRO ParaCruz rider from the rider's origin to the rider's destination. A Personal Care Attendant (PCA; see definition below) is not considered a guest/companion).

Late Trip

Arrival of a METRO ParaCruz vehicle at the scheduled pick-up location more than 20 minutes after the scheduled pick-up time.

METRO

This is the common name of the transit system operated by the Santa Cruz Metropolitan Transit District.

Missed Trip

Failure of a METRO ParaCruz vehicle to arrive within one hour after the scheduled pick up time.

No-show

A no-show occurs when:

- After scheduling a trip, the customer no longer needs the ride and fails to call and cancel at least one (1) hour before the trip
- The vehicle arrives within the Ready Window, but the driver cannot locate the customer at the requested pick-up location within five (5) minutes.

The vehicle arrives within the Ready Window but the customer is not ready to go and after waiting five (5) minutes, the driver must leave to stay on schedule.

PCA

Personal Care Attendant. An individual who provides assistance to a METRO ParaCruz rider, either while traveling with METRO ParaCruz and/or at the rider's origin and/or destination.

Ready Window

The 30-minute period of time surrounding a requested ADA Paratransit pick-up time, during which the vehicle will arrive at the pick-up location. Your ride can arrive **10 minutes prior to or 20 minutes after your scheduled pick-up time**. This 30-minute period of time is called your ***Ready Window***.

Subscription Service

A standing reservation for a trip that a rider takes to the same place at the same time, at least once a week.

Will-Call Return

A return trip for which the pick-up time is determined when the rider is ready, rather than at the time the initial reservation for the trip is made. Wait time for a Will-Call Return pick-up may be up to one hour.

II. DESCRIPTION OF SERVICES

METRO offers a shared-ride, door-to-door service for people who have a physical, cognitive, or psychiatric disability that prevents them from making some or all of their trips on fixed route buses. This service is called METRO ParaCruz. METRO ParaCruz is provided as part of METRO's efforts to meet the requirements of the Americans with Disabilities Act of 1990 (or ADA).

METRO ParaCruz service must be reserved at least one day in advance. The service is provided with ramp-equipped minivans, lift-equipped vans, and sedans. METRO ParaCruz service operates in the same areas and during the same days and hours as the fixed route bus service. The service can be used for any trip purpose.

III. ELIGIBILITY AND REGISTRATION

METRO will be responsible for determining the eligibility of individuals to receive METRO ParaCruz service.

Individuals who are determined to be ADA-eligible will be issued credentials that readily identify them as qualified to receive ADA-level service.

IV. SERVICE OPERATION REQUIREMENTS

METRO ParaCruz service will be made available by METRO and its contractors in sufficient quantity to meet all requests for service reserved at least one day in advance and within one hour of the customer's desired travel time. No pattern or practice shall be established to limit availability of service within the established operating parameters.

Supplemental service providers will be required to provide vehicles and facilities including, but not limited to, buildings, utilities, office materials and supplies, vehicles, fuel, parts and supplies, and all other items needed to effectively perform Contractor duties associated with the provision of METRO ParaCruz service.

Supplemental service providers will be responsible for ensuring that all trip reservations that are assigned by METRO are served.

A. Service Hours

METRO ParaCruz service will be provided from 6:00 am to 10:30 p.m. daily. Additional evening hours will be available to correspond with certain fixed routes. Service will not be provided on the following holidays:

- New Year's Day

- Thanksgiving
- Christmas Day

B. Service Area

METRO ParaCruz is provided in an area $\frac{3}{4}$ mile on either side and around the ends of each fixed bus route operated by METRO. Express bus routes are excluded from the service area.

C. Fare Policy

The Contractor will provide a secure method of collecting and accounting for fares. All fare revenue will be retained by the Contractor. The monthly invoice for the METRO ParaCruz services performed will report the total dollar value of fares which should have been collected.

The one-way fare for a METRO ParaCruz trip is \$3.00.

Drivers will collect fares from riders as they board the vehicle. Riders may pay the exact fare in cash (coins or bills) or use pre-paid METRO ParaCruz tickets.

METRO fixed route passes, METRO student passes, and METRO discount fare passes are not valid on METRO ParaCruz.

D. Personal Care Attendants (PCAs)

Neither METRO nor supplemental service providers will supply Personal Care Attendants, but must allow a rider to travel with a PCA. The need of an ADA-eligible rider to travel with a PCA will be determined during the eligibility process by METRO, and be indicated on his/her ADA credentials. The PCA must have the same origin and destination as the METRO ParaCruz rider.

PCAs are not required to pay a fare, but travel for free.

E. Guests/Companions

METRO will provide service to one individual accompanying a rider, in addition to a PCA, (if a PCA is authorized). To be considered a guest/companion, the individual accompanying the METRO ParaCruz rider must have the same origin and destination as the METRO ParaCruz rider. The fare for a guest or companion is \$3.00, the same as for the METRO ParaCruz eligible rider.

METRO will provide service to additional individuals accompanying a METRO ParaCruz rider, provided that space is available on the assigned vehicle, and that transportation of the additional individual(s) will not result in a denial of service to other ADA-eligible

individuals. The fare for additional guest/companions will be \$3.00 each, the same as the for METRO ParaCruz rider.

F. Visitors

The Contractor will provide METRO ParaCruz service for up to 21 days per 365 day period to visitors to the METRO area who provide documentation that they have been determined eligible for similar ADA complementary paratransit services by a transit agency in another part of the country. Visitors must provide contact information for their ADA Paratransit provider to verify their eligibility status prior to reserving a ride.

METRO may ask for documentation of their health condition or disability from visitors who do not have this kind of eligibility because they live in areas without public transit service.

G. Mobility Devices

METRO will transport riders in all common wheelchairs, including three- and four-wheeled scooters and other non-traditional mobility devices in vehicles used to provide METRO ParaCruz services.

METRO will require wheelchair users to ride in designated securement locations in the vehicle.

METRO will require that a customer permit his/her wheelchair to be secured. However, METRO will not refuse to transport a wheelchair, including a three-wheeled scooter, or its user, on the grounds that the mobility device cannot be secured or restrained satisfactorily by the vehicle's securement system.

METRO may recommend to a user of a wheelchair or a three-wheeled scooter that the individual transfer to a vehicle seat. METRO will not require the individual to transfer.

METRO will allow individuals with disabilities who do not use wheelchairs, including standees, to use a vehicle lift to board the vehicle, provided that the lift is equipped with handrails or other devices to assist standees in maintaining their balance.

H. Service Animals

METRO will allow customers to travel with service animals trained to assist them. Service animals include guide dogs used by persons with vision or hearing impairments, and dogs and other animals that provide aid to persons with mobility impairments.

I. Life Support Equipment

METRO will allow customers to travel with respirators, portable oxygen, and other life support equipment.

V. RESERVATIONS AND SCHEDULING

A. Reservations Parameters

METRO ParaCruz reservations may be made from one day to 14 days in advance of the desired trip, from 8:00 a.m. to 5:00 p.m. Reservations must be accepted on the day before any service days, including holidays. During holidays, customers may leave messages between 8:00 a.m. and 5:00 p.m. requesting a trip for the next day. METRO will contact the customer confirming their trip reservation details between 5:00 and 9:00 p.m. on the holiday evening prior to the travel day. Customers are discouraged from calling on holidays for trips more than one day in advance.

B. Reservations Call Takers

METRO will be responsible for receiving all requests for service from customers, and for confirming and/or denying trip requests. METRO will use Trapeze PASS reservations/scheduling software to perform this function.

METRO will not impose trip purpose priorities or restrictions upon ADA-eligible customers.

METRO will accept trip reservations from ADA-eligible customers up to METRO's close of business on the day prior to the requested trip.

METRO will permit reservations to be made up to 14 days in advance of an ADA-eligible customer's desired trip.

C. Reservations Staffing

There shall be Spanish and English language capabilities in reservations during regular reservations hours. The staffing level shall be sufficient to ensure that caller hold time standards, described below, are met.

METRO will provide reservation agents on all days except holidays to accept reservations from customers from 8:00 a.m. until 5:00 p.m. On holidays, use of an answering machine or service for this purpose will be acceptable. Staff must be made available on the evening of holidays to schedule reservations requests made on holidays for the following day. Reservation confirmation calls must be completed between 5:00 p.m. and 9:00 p.m. on the holiday.

D. Reservations Training

Reservation agents shall be trained to proficiency in all aspects of service operations including reservations procedures. They shall be familiar with the telephone equipment

being used, including use of the Telecom Device for the Deaf (TDD). They shall be trained in telephone etiquette and sensitivity to people with disabilities. Reservation agents shall provide courteous, professional service to all callers.

Training shall include:

1. A minimum of 40 hours of on-the-job training with an experienced reservation agent
2. METRO ParaCruz Policies and Procedures for ADA Paratransit service
3. METRO ParaCruz Customer's Guide
4. Knowledge of METRO's fixed route transit services
5. Knowledge of Paratransit service area boundaries and street network within the service area
6. Minimum of 8 hours of sensitivity training which includes disability awareness and communication skills with people with disabilities.
7. Map reading
8. Minimum of 8 hours of training on telephone etiquette including how to handle difficult callers.
9. Minimum of 8 hours in-service riding in METRO ParaCruz vehicles per year
10. Applicable retraining for identified deficiencies in performance identified through paratransit monitoring program

E. Caller Hold Time

All calls received by METRO ParaCruz will be answered when staff is on duty. The telephone system in place will allow that calls be connected within 10 seconds, and that callers will not spend more than two minutes on hold, on average, before speaking with a reservation agent or other member of METRO's staff. No calls will be disconnected.

F. Information Provided During Reservation Process

The reservation agent will request the following information from the customer:

1. First and last name
2. METRO ParaCruz ID number
3. Date and day of the week on which the ride is needed
4. Pick-up street address

5. The street address or a known landmark of the destination and the telephone number (if available). If the customer is traveling to a large facility that has several entrances (such as a mall or large medical facility), the Contractor's reservations staff will ask the customer for the exact point where he/she would like to be dropped off or picked up
6. Desired arrival time, and the customer's appointment time, if applicable
7. Pick-up time for a return trip, whenever possible. If it is not possible for the customer to estimate when he/she will be ready to be picked up for the return trip, the reservation agent will offer the customer a "Will-Call" return. The reservation agent will instruct the customer as to the phone number to call to request a return ride. Prior to 10:30 p.m., Will-Call returns will be accepted at the METRO's reservations and dispatch phone number. After 10:30 p.m. (in specific areas only), the reservation agent will provide the customer with the phone number for the appropriate service provider.
8. Use of a mobility aid such as a wheelchair, walker, scooter
9. Need to use the lift
10. Whether a personal care attendant and/or guest/companion will be traveling with the customer
11. Need for a car seat for a child traveling with the customer
12. Whether a service animal will be riding with the customer
13. Use of a collapsible wheeled cart for shopping
14. Need for driver assistance to or from the door
15. Any other information the customer feels that the METRO should know to safely and comfortably serve him/her

At the conclusion of the reservation process, the reservation agent will verify the scheduled trip date, origin address, pick-up time, drop-off address, appointment time (if applicable), return pick-up point, and return pick-up time with the customer.

The reservation agent will explain the "Ready Window" to the customer. The "Ready Window" is the period of time in which the vehicle may arrive at the pick-up location, and is defined as the period from 10 minutes before to 20 minutes after the negotiated pick-up time.

If trips for other customers are subsequently booked and change the customer's scheduled pick-up time to a time outside of the Ready Window which he/she is expecting, METRO will call the customer and notify him/her of the change in schedule.

METRO shall make every effort to schedule your trip so that customers do not arrive more than 30 minutes before their requested drop-off time and no later than the requested drop-off time.

METRO shall make every effort to schedule a return pick-up no later than 60 minutes after the time the customer has requested and no earlier than the time requested.

METRO shall make every effort to schedule trips so that travel times are comparable to the time it would take to make the trip by fixed route bus. Most trips should take no more than 60 minutes from the pick-up until the drop-off.

METRO may negotiate pick-up times with individuals, but will not require a rider to schedule a trip to begin more than one hour before or after the individual's desired departure time.

Customers may request up to four round trips per telephone call.

If a METRO ParaCruz customer needs a ride to the same place, at the same time, at least once a week, the reservation agent will inform him/her about "Subscription Service", as described below.

G. Subscription Service

Subscription service customers will place standing order reservations in advance and be automatically placed on the schedule each week. Subscription trips may be placed on "hold" for up to three months. When the customer is ready to have his/her subscription service taken off hold, he/she must call METRO one week in advance to reinstate the service. If a customer needs to put subscription trips on hold for longer than three months, he/she may be asked to call back and request new subscription service when it is again needed.

H. Handling Trip Confirmation Calls

Reservations agents shall verify trip details upon request. Reservations agents shall repeat the day and date of travel, the origin and destination, and the Ready Window for each segment of the trip being confirmed.

I. Trip Cancellation Procedures

METRO must provide a means of accepting cancellations during all operating hours. METRO will take calls from customers who need to cancel their rides between the hours

of 6:00 a.m. and 10:30 p.m. daily. Reservation agents will handle calls canceling trips during reservations hours (between 8:00 a.m. and 5:00 p.m.).

Reservation agents are required to explain to customers who cancel within one hour of their scheduled Ready Window for their trip that they are canceling late. A late cancellation is any cancellation received by METRO with less than one hour's notice of the scheduled Ready Window. Cancellations made one hour or more in advance of the scheduled pick-up time will not be counted against the rider.

If a customer calls to cancel a ride less than one hour before their scheduled Ready Window, reservation agents are required to explain to the customer that they are canceling late.

METRO will not reimburse supplemental service providers in any way for canceled non-dedicated trips.

J. Trip Change Procedures

To change a scheduled trip, customers are instructed to call METRO during regular reservations hours at least one day ahead of the scheduled trip. Calls on holidays to change a reservation for the next day will be confirmed by METRO's staff between 5:00 p.m. and 9:00 p.m. on the holiday evening.

The reservation agent will ask:

1. The customer's first and last name.
2. METRO ParaCruz ID number.
3. The date and time of the trip being changed.
4. The new travel times and/or other changes the customer wishes to make.

The reservation agent shall always try to accommodate the customer's needs, but changes to the original ride request may result in adjustment to the Ready Window and the ride time, according to schedule availability. The reservation agent shall read back to the customer the new Ready Window and travel details.

VI. SCHEDULING

A. Scheduling Procedures

METRO is responsible for developing vehicle schedules. METRO will use Trapeze PASS scheduling software to perform this function. The scheduler will review the schedules generated by the reservationists using PASS, and make adjustments based

on his/her expertise in operating the schedules, ensuring appropriate levels of productivity and on-time performance. Schedules generated will respect the customers' expectations of service as described in the METRO ParaCruz Customer's Guide. This includes the Ready Window (30 minutes) and the maximum ride time generated by the schedule of no more than 60 minutes (for most trips).

Any changes made to schedules that will violate a customer's understanding of his or her Ready Window will result in the scheduler calling the customer to inform him or her of the new Ready Window before 9:00 p.m. on the evening before travel. The customer's arrival appointment time may not be violated in the scheduling process.

The scheduler may opt to provide trips using supplemental service providers, insuring that the customer's mobility aid requirements are accommodated.

METRO is responsible for verifying the internal PASS scheduling parameters based on actual speed and trip times observed during the previous month. The scheduler is also responsible for reconciling and verifying monthly schedule productivity vs. performed productivity, and for making adjustments to the scheduling parameters to ensure that the schedule can be performed on-time.

METRO is also responsible for maintaining the PASS landmark file, updating it to include all known landmarks and destinations. This will include buildings on campus at University of California Santa Cruz, the County Government Center, mall and hospital entrances, and removing any duplicates and misspelled sites. Updates are to be performed as needed, but no less frequently than once per quarter.

B. Scheduling Staffing

Sufficient staff will be in place to develop schedules in a timely manner, including adding reservation requests on holidays, and deleting cancellations as they become known. Scheduling staff may perform other functions such as taking reservations, and dispatching vehicles, as trained and as time permits, provided development of effective vehicle schedules is the primary responsibility and product of the scheduling staff.

C. Scheduling Training

Schedulers shall be trained to proficiency using Trapeze PASS to develop accurate schedules for all trips. Schedulers shall use automated and manual scheduling techniques to develop the most accurate and efficient schedules that are operational.

METRO shall provide training for the schedulers that includes:

1. A minimum of 40 hours of on-the-job training with an experienced dispatch/scheduler
2. METRO ParaCruz policies and procedures

3. METRO ParaCruz Customer's Guide
4. Extensive knowledge of the service area and street network and service area boundaries
5. Extensive knowledge of traffic conditions and real travel times throughout the area
6. The ability to discern the operability of a schedule developed using PASS
7. Minimum of 8 hours of sensitivity training for people with disabilities
8. Map reading
9. Minimum of 8 hours of in-service riding in METRO ParaCruz vehicles per year
10. Applicable retraining for deficiencies in performance identified through the paratransit monitoring program

VII. DISPATCH

A. Dispatch Procedures

METRO will be responsible for performing the dispatching function to monitor service, respond to emergencies, incidents, or otherwise assist customers, drivers or subcontractors as needed.

The dispatcher for METRO and supplemental service providers will ensure that the driver has appropriate information about the customer, including drop-off location and scheduled arrival time, and that the vehicle is dispatched with enough time to pick up the customer within the Ready Window under normal operating conditions. The dispatcher is also responsible for handling all emergencies, accidents and incidents that may occur during the operation of this service.

B. Dispatch Staffing

Personnel with dispatch training and capabilities will staff METRO ParaCruz offices on all days and during all hours during which METRO ParaCruz service is in operation. Dispatchers may perform other functions from time-to-time to assist other staff, provided that vehicles are appropriately dispatched and monitored, that customer calls are handled within the allowed parameters, and that any subcontractor activity is monitored.

C. Dispatch Training

METRO shall provide training for dispatchers that includes the following:

1. A minimum of 40 hours of on-the-job training with an experienced dispatcher

2. METRO ParaCruz policies and procedures
3. METRO ParaCruz Customer's Guide
4. Extensive knowledge of the service area and street network and service area boundaries
5. Minimum of 8 hours of sensitivity training for people with disabilities
6. Map reading
7. Knowledge and operation of automated and manual dispatch systems
8. Knowledge and operation of radio and other communication systems
9. Minimum of 8 hours in-service riding in METRO ParaCruz vehicles per year
10. Applicable retraining for identified deficiencies in performance identified through Paratransit monitoring program

D. "Where's My Ride" Call Handling

Customers will be instructed to call METRO ParaCruz in the event a vehicle has not arrived within the Ready Window for an estimated time of arrival. These calls shall be handled by dispatch to avoid excessive call times, and to minimize the time the customer may be out of sight of the driver at the pick-up location.

Dispatch staff will also take calls from customers whose ride is late, contact the driver to see when the vehicle will be arriving, and inform the customer of the vehicle's expected time of arrival at the pick-up location. In the event that the driver is not underway, the dispatcher will take necessary steps to ensure that the trip is provided in a timely manner. Dispatch staff will also take ride cancellation calls and transmit this information to drivers.

E. Vehicle Communications Requirements

METRO will maintain contact with all vehicles at all times. METRO will be responsible for installing two-way radio units, Nextel equipment, or cellular telephones in all vehicles used to provide METRO ParaCruz service, whether owned by METRO or supplied by METRO.

F. Emergency Operations and Dispatch Capabilities

In the event of an emergency, dispatch staff will contact the Paratransit Superintendent immediately. METRO ParaCruz staff is expected to work cooperatively with other authorities as requested. If necessary, supplemental service providers dispatchers will follow instructions of the METRO ParaCruz dispatchers, and provide relay information to their drivers. All METRO and supplemental service providers employees are expected to be trained to respond to emergency procedures as directed.

VIII. DRIVERS

A. Driver Requirements

METRO and supplemental service providers will ensure that, at a minimum, drivers assigned to provide METRO ParaCruz services will:

1. Perform their duties with due regard for the safety, comfort and convenience of customers and their property
2. Comply with all applicable federal, state and local laws, regulations and licensing requirements, including drug and alcohol testing, and do not have a criminal record. Before hire, drivers are subject to a criminal background check performed by a Santa Cruz County law enforcement agency. The background checks shall include all types of felony and misdemeanor arrests and convictions, not just vehicular arrests and convictions. Any information obtained which would directly affect the safety and well-being of customers must be submitted to METRO for review prior to the hiring of the applicant.
3. Have and maintain a valid California driver's license, or Commercial Driver's License (CDL) if required.
4. Have and maintain a good driving record. METRO will require prospective drivers to obtain a statement as to any moving violations as defined by the Department of Motor Vehicles. Any information obtained which would directly affect the safety and well-being of customers must be submitted to METRO for review prior to the hiring of the applicant.
5. Are no younger than 21 years of age.
6. Perform a pre-trip inspection of the vehicle at the beginning of his/her shift.
7. Provide assistance from the front door to the vehicle, and across a maximum of two steps if the customer requires such assistance.
8. Provide assistance into and out of the vehicle.
9. Operate the wheelchair ramp or lift.
10. Assist with the securement of wheelchairs and mobility aids, and with seat belts.
11. Provide limited assistance with packages (up to 30 pounds).

12. Provide assistance to the door of the destination, if needed.
13. Assistance is not required to be provided to individuals traveling as PCAs or guests/companions.
14. Appropriately announce their presence at the specific entrance of the building of the pick-up location in an attempt to locate the customer, if the customer does not appear at the door at the scheduled time. Sounding the horn does not constitute an appropriate announcement.
15. Contact METRO's dispatcher before leaving a designated location without picking up the customer and when encountering problems such as a customer not being ready, incorrect addresses, or addresses which are inaccessible to wheelchairs.
16. Operate vehicles in service with the highest degree of safety for passengers, keeping vehicular speed within posted speed limits at all times, and otherwise obeying all laws pertaining to the safe operation of motor vehicles.
17. Are courteous at all times, exemplary in speech and action, and sensitive to the needs of persons with disabilities.
18. Wear clothing which is neat and clean in appearance and are required to wear shirts with collars and visible identification. METRO ParaCruz employees shall adhere to dress standards documented in Paratransit Operator's handbook.
19. Do not smoke, or permit customers to smoke in vehicles.
20. Do not eat or drink in vehicles, or permit customers to eat or drink in vehicles unless it is medically necessary.
21. Do not play, or permit customers to play without earphones, audio/visual equipment in vehicles.
22. Do not leave sight of a vehicle when customers are onboard, except in an emergency. In such an emergency, customers may be left in the vehicle or removed to the surrounding environment, whichever is safer.
23. Ensure that only the driver occupies the driver's seat.
24. Do not push any vehicle with their vehicle or allow their vehicle to be pushed while a customer is onboard either vehicle.
25. Do not under any circumstances discipline any customer.

26. Comply with all state and local laws regarding the speed and method of operation of vehicles.
27. Do not accept tips or gratuities.
28. Properly complete driver logs.

The following acts are not permissible for drivers when providing METRO ParaCruz service or while on METRO premises:

1. Use of intoxicating liquors, narcotics or controlled substances of any kind (excluding medications prescribed by a physician which do not impair the driver's driving ability).
2. Smoking in supplemental service providers or METRO vehicles or while on duty except in places or at times designated for that purpose.
3. Resorting to physical violence to settle a dispute with a fellow employee, customer(s) or the general public while on duty. In self-defense, a driver may use no more force that is reasonably necessary.

METRO reserves the right to request supplemental service providers to remove from the provision of METRO ParaCruz services any driver or other staff member whose conduct or performance does not comply with these requirements.

B. Driver Training and Certifications

(CDL Bp or Commercial Class C for appropriate vehicles, consistent with State of California law. CPR and first aid)

METRO will ensure that all drivers assigned to METRO ParaCruz services meet, at a minimum, the following training requirements:

1. First Aid certification
2. Cardio-pulmonary Resuscitation (CPR) certification
3. Passenger assistance techniques and sensitivity
4. Defensive driving
5. Emergency and accident procedures
6. METRO ParaCruz policies and procedures
7. Drug and alcohol awareness

Drivers must be thoroughly familiar with the vehicle(s) to be operated and receive training in defensive driving and rider assistance/sensitivity prior to being placed into METRO ParaCruz service. METRO and/or supplemental service providers will provide abbreviated instruction in rider assistance techniques prior to the driver's first day of service, but full certification must be provided within eight weeks of that date. This deadline may be relaxed in specific instances at the discretion of METRO if such training is not readily available at the time.

Drivers must receive training in the remaining areas listed above within twelve weeks of their first day in METRO ParaCruz service.

Written documentation of training received by each driver will be maintained on file by METRO and/or supplemental service providers, and available for review.

IX. HANDLING OF COMMENTS AND COMPLAINTS

METRO will be responsible for the processing, investigation and resolution of customer complaints regarding services provided by METRO and/or supplemental service providers. METRO will provide a telephone number that is separate from the reservation line to receive complaints. Customers will be instructed to call METRO about with comments or complaints about service or ADA policies.

METRO will document the complaint on a Comment/Complaint form. Within four days after receipt of the complaint, METRO ParaCruz will notify the customer in writing that the complaint has been received and is under review. METRO will be responsible for investigating the complaint and will submit a written response to the METRO ADA Paratransit Superintendent that summarizes the investigation and any corrective action taken. The METRO ADA Paratransit Superintendent or designee will notify the customer in writing of the resolution of the complaint within two weeks of the date on which the complaint was received. If the comment/complaint involves a supplemental service provider, a copy of the resolution letter will be sent to the Contractor.

Customers may also register complaints with the ADA Paratransit Ombudsman at the Central Coast Center for Independent Living (CCCIL). The METRO ADA Paratransit Superintendent or designee will send an acknowledgment letter to the customer, and forward the complaint to the Contractor for investigation and a written response, if applicable. The METRO ADA Paratransit Superintendent or designee will review the written response to ensure that the Contractor (if applicable) has acknowledged the problem and has taken proper action. The METRO ADA Paratransit Superintendent or designee will notify the ADA Paratransit Ombudsman of the outcome of the complaint so that a response can be sent to the customer. A copy of the resolution letter will be sent to the Contractor (if applicable).

Supplemental service providers will cooperate with any request by METRO to distribute or post notices informing riders of these complaint procedures on vehicles used to provide METRO ParaCruz service.

Complaints about drivers' behavior or job performance may require METRO to take action, determined at the sole discretion of METRO, up to and including the requirement that the offending driver be removed from the provision of METRO ParaCruz services. Employees who accumulate five unrelated, substantiated complaints in a twelve month period may be removed from METRO ParaCruz service.

X. VEHICLE STANDARDS

A. Vehicle Requirements

All vehicles used in METRO ParaCruz service comply with the standards contained in Exhibit 2.

Supplemental service providers will supply the Paratransit Superintendent or designee a list of all vehicles used to provide METRO ParaCruz service, including license plate numbers, vehicle identification numbers and the California Highway Patrol certification or other department certification, if applicable. The Contractor will provide a current list to METRO prior to any vehicle being placed into service and thereafter upon request by METRO.

Supplemental service providers will keep all vehicles fully licensed and inspected as required by the California Highway Patrol, California Department of Transportation, or other relevant agency. The Contractor will comply with all state and local vehicle registration, permitting, and regulatory requirements.

METRO and supplemental service providers will ensure that drivers perform daily safety inspections of vehicles prior to beginning each day's service. Drivers will document their inspection on a Pre-trip Inspection Form. A member of METRO and the Contractor's maintenance staff will monitor pull-out at the start of each day's service, and be available to provide assistance to drivers and respond to equipment problems as needed. Vehicles failing the daily inspection will not be used in service until the reason for the failure is corrected. Written pre-trip inspection reports will be maintained for not less than one year, and will be made available to METRO for review upon request.

If METRO supplies vehicles to the Contractor for use in providing METRO ParaCruz service, a detailed joint inspection will take place prior to acceptance of any vehicle by the Contractor, with representatives of the Contractor and METRO agreeing upon damage and wear. Except for normal wear and tear, vehicle(s) will be returned to METRO (upon termination of the Agreement) in the same condition in which they were received by the Contractor. A second joint inspection by the Contractor and METRO will be conducted at the time that the vehicle(s) are returned to METRO, for the purpose of determining the condition of the vehicle(s). The cost incurred by METRO of any

repairs or maintenance determined to be necessary as a result of that inspection will be withheld from the Contractor's final payment.

METRO reserves the right to inspect vehicles used in providing METRO ParaCruz services at any reasonable time, scheduled and unscheduled, and to order the immediate removal from service of any vehicle not in compliance with the vehicle standards referenced herein. Failure to comply with this requirement may be cause for disallowance of compensation for services rendered in the violating vehicle.

B. Vehicle Maintenance

The Contractor will, at its own expense, institute a program of regular and preventive maintenance to ensure that all vehicles used to provide METRO ParaCruz service remain in proper working order. The Contractor will follow the preventive maintenance procedures included in Exhibit 3 for all vehicles supplied by METRO. For vehicles which are owned by the Contractor, the procedures outlined in Exhibit 3 are recommended, but will not be required.

The Contractor will keep service records to document maintenance, including preventive maintenance, unscheduled repairs, and body work, performed on each vehicle used in providing METRO ParaCruz service, as outlined in Exhibit 4. Service records will be kept on file by the Contractor and made available for METRO inspection upon request.

All physical damage to vehicles supplied by METRO will be reported to METRO not later than 24 hours following said damage, and repaired by the Contractor within 14 days of occurrence, regardless of cause.

The Contractor will ensure that the fleet of vehicles it uses to provide METRO ParaCruz service includes a sufficient number of spare vehicles to meet service demand and also provide for preventive maintenance, repairs, and substitution for vehicles that break down while in service. To meet this requirement, the Contractor will have at least 2 spare vehicles for every 10 vehicles needed to meet maximum peak service needs at its immediate disposal. These vehicles must be able to carry a minimum of one wheelchair and three ambulatory passengers and be maintained to the standards referred to above.

C. Vehicle Cleanliness

The Contractor will be responsible for maintaining the appearance and cleanliness of all vehicles used in METRO ParaCruz service. At a minimum:

1. Vehicle exteriors will be washed once a week.
2. Vehicle interiors will be swept or vacuumed and emptied of trash daily.

3. Vehicle interiors will be wet mopped with a detergent and disinfectant solution once a week.
4. The interior windows will be cleaned with a glass cleaner once a week.
5. The driver's area will be cleaned once a week.
6. Vehicle interiors will be fully cleaned throughout, including seats, handgrips, rails, headliners and other items, once a month.

D. Maintenance Training and Certifications

All maintenance personnel will be trained to proficiency on all vehicles used in provision of METRO ParaCruz service, whether provided by METRO or the Contractor. Maintenance personnel will be proficient in specific vehicle equipment, including lifts, seatbelts, ramps, and lifts.

E. Maintenance Facilities

The Contractor and any subcontractors will maintain maintenance/storage facilities in the METRO ParaCruz service area sufficient to perform routine maintenance as required by METRO. All furnishings, equipment and supplies will be the responsibility of the Contractor.

F. Maintenance Transportation

If repairs to vehicles used in METRO ParaCruz service are to be made in a location other than the Contractor's or subcontractor's facilities, the Contractor or subcontractor is responsible for transportation to and from the repair location at Contractor's expense.

XI. DRUG AND ALCOHOL TESTING

The Contractor will comply with the requirements of METRO's drug and alcohol testing policy, which is included in Exhibit 5.

The Contractor will ensure that every employee assigned to METRO ParaCruz service who holds a safety-sensitive position, as defined in Exhibit 5, receives a copy of this policy, and signs the confirmation of receipt contained therein.

The costs of the actual drug and alcohol testing performed in accordance with this section will be borne by the Contractor.

XII. ACCIDENT REPORTING

The Contractor will report all accidents occurring during the provision of METRO ParaCruz service immediately by telephone to the supervisor on duty. METRO and supplemental service providers will require the driver(s) involved in an accident to prepare a written report within 24 hours of the accident. The Contractor will forward a copy of the accident report to the METRO ADA Paratransit Superintendent.

XIII. INCLEMENT WEATHER

METRO reserves the right to suspend, modify or cancel service during times of hazardous weather conditions which may jeopardize the safety of passengers and employees. On bad weather days, METRO will respond to inquiries from customers and inform them of any service suspensions, modifications, or cancellations.

XIV. RECORDS/REPORTING

A. Record Keeping Requirements

Supplemental service providers will be responsible for properly maintaining separate records for the METRO ParaCruz service they provide. Records to be maintained include, but are not limited to:

1. Operating statistics
2. Individual maintenance files for each vehicle used to provide METRO ParaCruz service
3. Driver employment, licensing, training, and drug/alcohol testing records
4. Passenger complaint files
5. Telephone system performance statistics

Supplemental service providers will prepare and submit the following reports to METRO ParaCruz.

B. Information to be Reported Daily

1. Daily records of trips performed (negotiated pick-up time, estimated pick-up time, actual pick-up time, appointment time, if applicable, actual drop-off time, total number of eligible riders, companions, PCAs, no-shows and cancellations shall be submitted to METRO each day. Drivers' trip logs (manifests) must be submitted with the daily reports for each service provider).
2. Reports of any accidents occurring during the provision of METRO ParaCruz service
3. Passenger complaints

C. Information to be Reported Monthly

1. Billing invoice, as described below.
2. Complaint report, detailing the number of complaints received by date, including the nature of the complaint, status, and a summary of corrective action taken.
- 3.

Exhibit 1: METRO ParaCruz Service Area Map

Strict Three Quarter Mile
Service Area Boundary

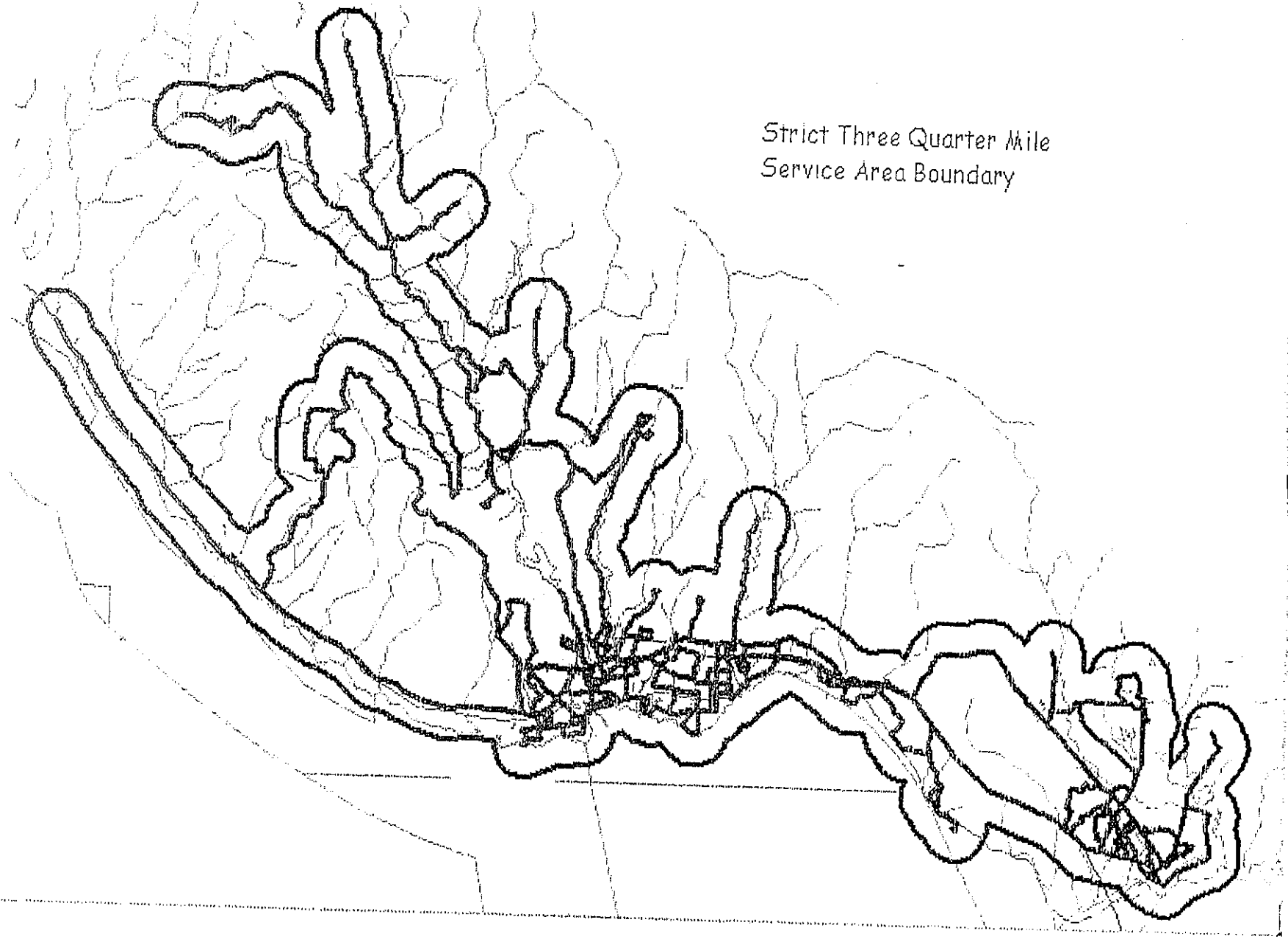


Exhibit 2: Vehicle Standards

The Contractor will maintain all vehicles in good working order and furnish all necessary fuel, oil, lubricants, maintenance and repairs through the entire period of the Agreement, and comply with all applicable motor and equipment laws of the State of California. The Contractor will, on request, provide METRO with written certification of such compliance.

The Contractor will ensure that all vehicles are owned, leased or otherwise controlled by the Contractor by means of a written agreement.

The Contractor will ensure that all vehicles conform to the relevant sections of the State of California laws governing operation of passenger vehicles, the rules and regulations of METRO, and applicable State of California and federal motor vehicle safety standards.

The contractor will ensure that vehicles identified and used to provide METRO ParaCruz service are well maintained and in good working order and condition. The interiors and exteriors of all vehicles will be kept clean at all times.

For all sedans or station wagons exceeding the age of 48 months, METRO ParaCruz reserves the right to inspect and approve the use of the vehicle for ParaCruz service. In no case shall sedans or station wagons older than 60 months from the date of manufacture (manufacturer's model year).

For all lift-equipped vans exceeding the age of 60 months, METRO ParaCruz reserves the right to inspect and approve the use of the vehicle for ParaCruz service. In no case shall lift-equipped vans older than 84 months from the date of manufacture.

For all vehicles with capacity in excess of 15 exceeding the age of 84 months, METRO ParaCruz reserves the right to inspect and approve the use of the vehicle for ParaCruz service. In no case shall vehicles with capacity in excess of 15 older than 96 months from the date of manufacture.

The Contractor will ensure that a seat with an installed and functioning seat belt is available for each rider and driver.

All vehicles will be equipped, at a minimum, with the following safety equipment, and the Contractor will train drivers in the proper usage and placement of this equipment in/on the vehicle:

- Chock blocks
- Safety locks
- Portable steps
- First aid kit
- Reflectors
- Defrosters
- Heater
- Air conditioner
- Spare tire and jack
- Ventilators
- Fire extinguisher. U.L. rated

For wheelchair lift-equipped and ramp-equipped vehicles:

- Lift that meets 49 CFR Part 38 requirements, or
- Ramp that meets 49 CFR Part 38 requirements, and
- All securement system equipment (tie-downs)

All pieces of equipment must be in proper working condition at all times, and the first aid kit must be fully equipped.

The Contractor will affix the corporate name (or business name) to each vehicle in a permanent or semi-permanent manner in letters of no less than two inches high. One location of such name will be on the driver's side and the other will be located on the rear of the vehicle.

The Contractor will ensure that the doors of the vehicle are kept closed and locked while the vehicle is in motion.

The Contractor will ensure that no fueling of the vehicle is conducted while the vehicle is occupied by riders.

The Contractor will provide, without additional expense to METRO, a replacement vehicle that meets the terms of these specifications, whenever the original vehicle cannot be operated on any service day. If the Contractor fails to comply, alternative quality service will be authorized by METRO at the Contractor's expense.

The Contractor will maintain the capacity to provide one comparable spare vehicle and driver for every 10 vehicles used in METRO ParaCruz service. Contractors who provide fewer than 10 vehicles must have a minimum of one spare vehicle and driver.

The Contractor will equip vehicles with FM two-way radios, Nextel equipment, or cellular telephone equipment, under direction of the Federal Communications Commission (FCC). Mobile units must be able to contact the base station within a 25 mile radius of the base station. The base station must be manned while any vehicle is in transit. At all times, vehicles in transit must have the capacity to contact the base station by radio or cellular telephone communication. Payment may be withheld for a specific vehicle, if during inspection radio transmission between the specific vehicle being tested and the base is not established.

Exhibit 3: Maintenance Schedules and Procedures

SAMPLE 3,000 Mile Maintenance Checklist

Vehicle Registration Number

Vehicle Number

Vehicle Mileage

Date Removed from Service

Date Returned

- OK
- Adjustment made
- Needs attention
- Test drive vehicle
- Change oil and filter
- Check lube level, rear end and transmission
- Lube chassis
- Lube throttle linkage
- Check fluid levels: battery, radiator and windshield washer
- Check fluid levels: master cylinder and power steering
- Inspect upper and lower control arms and bushings
- Inspect all drive belts and alternator belt and bracket
- Visually inspect all brakes
- Adjust air in tires
- Inspect and test all interior lights, exterior lights, high and low beams
- Visually inspect general vehicle condition

SAMPLE 3,000 Mile Lift Maintenance Checklist

- Inspect all lift hinges
- Inspect for hydraulic fluid and loose fittings
- Inspect wiring connections
- Check hydraulic fluid level
- Inspect stress points for wear, lip hinge and lock, platform hinges, floor and upper anchor bolts, and cable tension (if used)
- Inspect raise and lower speed of lift; adjust if necessary
- Inspect general condition of entire lift
- Inspect control cord and toggle/switch

Additional Comments

Mechanic Signature

SAMPLE 12,000 Mile Maintenance Checklist

Vehicle Registration Number

Vehicle Number

Vehicle Mileage

Date Removed from Service

Date Returned

- OK
- Adjustment made
- Needs attention
- Test drive vehicle
- Change oil and filter
- Replace positive crank case vent valve
- Replace in-line fuel filter
- Replace transmission fluid and gasket
- Replace element in air cleaner
- Complete tune-up: plugs, timing
- Replace ignition cables
- Check lube level, rear end and transmission
- Check and tighten body: spring axle, U-bolts and shackles
- Check fluid levels: master cylinder and power steering
- Inspect all drive belts and alternator belt and bracket
- Inspect complete exhaust system
- Inspect brake and power steering hoses
- Inspect all ball joints, steering linkage and universal joints

- Apply solvent to carburetor choke shaft
- Lube chassis
- Lube steering box and linkage
- Lube doors, door release and safety catch
- Inspect battery, clean terminals and check water
- Check front end alignment and idler arm drag link
- Adjust air in tires
- Check all wheelchair stanchions

Additional Comments

Mechanic Signature

SAMPLE Preventive Maintenance Inspection Worksheet

Perform Monthly on all Vehicles

Vehicle Registration Number

Vehicle Number

Vehicle Mileage

Date Removed from Service

Date Returned

- OK
- Adjustment made
- Needs attention

Prepare for inspection

- Check driver's report
- Wash vehicle
- Review maintenance history

Start up and drive; check operation of:

- Starting
- Service brake
- Horn
- Parking brake
- Transmission
- Speedometer

Remain in vehicle; check operation of:

- Fuel gauge
- Battery charging gauge
- Steering wheel free play
- Headlights high indicator
- Turn signal indicators
- Interior lights
- Heater and defroster
- All window glass
- Seats
- Oil gauge
- Windshield wipers and washer
- Registration
- Headlights low
- 4-way flasher indicator
- Instrument panel lights
- Air conditioner
- Doors
- Safety equipment

Outside inspection; check:

- | | |
|---|---|
| <input type="checkbox"/> Hood | <input type="checkbox"/> Fuel cap |
| <input type="checkbox"/> All lights | <input type="checkbox"/> Tires (check wear, cracks) |
| <input type="checkbox"/> Outside mirrors | <input type="checkbox"/> Record pressure |
| <input type="checkbox"/> Front end, king pins, wheel bearings, tie rod ends | _____ lbs. per sq. inch |
| <input type="checkbox"/> Bumper, body damage | |

Under chassis:

- | | |
|---|--|
| <input type="checkbox"/> Engine and transmission mounting bolts; check and adjust | <input type="checkbox"/> Springs, shackles, U-bolts; check for cracks or rust, tighten |
| <input type="checkbox"/> Transmission; check gear oil level | <input type="checkbox"/> Body mounting bolts; check and adjust |
| <input type="checkbox"/> Exhaust, muffler and tail pipe hangers; tighten if loose | <input type="checkbox"/> Transmission; check cover bell and seal areas for leaks |
| <input type="checkbox"/> Differential: check for leaks | <input type="checkbox"/> Differential; check gear oil level and clean breather |
| | <input type="checkbox"/> Brakes; adjust if needed |

Under hood; check:

- | | |
|--|---|
| <input type="checkbox"/> Air compressor; mounting and belt tension | <input type="checkbox"/> Check radiator level |
| <input type="checkbox"/> Power steering hoses and oil level | <input type="checkbox"/> Clean radiator front |
| <input type="checkbox"/> C/case breather; clean/change exhaust system, tighten | <input type="checkbox"/> Antifreeze protected _____ degrees |
| <input type="checkbox"/> Change oil filter | <input type="checkbox"/> Clean battery cables |
| <input type="checkbox"/> Correct fuel leaks | <input type="checkbox"/> Fill master cylinder |
| <input type="checkbox"/> Pressure check radiator | |
| <input type="checkbox"/> Check and adjust hoses | |
| <input type="checkbox"/> Check water level in battery | |
| <input type="checkbox"/> Alternator; belt tension, terminals, check and lube | |
| <input type="checkbox"/> Lubricate all fittings | |
| <input type="checkbox"/> Lube steering gear and shaft | |
| <input type="checkbox"/> Throttle linkage | |
| <input type="checkbox"/> Water pump and fan belt | |
| <input type="checkbox"/> Lube water pump and fan hub | |
| <input type="checkbox"/> Change air filter | |
| <input type="checkbox"/> Change engine oil | |
| <input type="checkbox"/> Change fuel filter | |

Drive off and park:

- Check level of engine oil
- Record all pertinent information in vehicle records
- Check hood latch

Mechanic Signature

Defect Repair Procedure

The Contractor will perform all defect repairs to vehicles on a timely basis and ensure that all vehicles are in a safe condition at all times. Drivers will report all defects as soon as possible and submit a defect sheet daily to the Contractor's maintenance department. Maintenance should act upon reported defects immediately.

The Pre-trip Inspection form that follows may be used as a defect sheet.

Sample Pre-trip Inspection Form

Exhibit 4: Required Maintenance Records

The Contractor will maintain a complete, separate file of all maintenance activity for each vehicle used to provide METRO ParaCruz service, and will make those files available to METRO for inspection upon request.

Each maintenance file should contain the following items:

- Preventive maintenance records
- Drivers' daily defect report forms
- Defects repaired on repair orders matching driver defect report forms
- Accident damage estimates and repair invoices
- Documentation of parts and labor expenses
- Documentation of tire work/purchases
- Interior cleaning schedule
- Log or notations regarding maintenance activity

Exhibit 5: METRO Drug and Alcohol Testing Policy

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Regulation Number: AR-3013

Computer Title: drug policy.doc

Effective Date: January 1, 1996

Pages: 37

TITLE: **DRUG & ALCOHOL TESTING POLICY**

Procedure History

| REVISION DATE | SUMMARY OF REVISION | APPROVED |
|---------------|---|----------|
| 8/21/98 | Footnotes added to Page 16 | S.A. |
| 10/22/04 | Implementation of New Federal Law Requirements; and other modifications. | E.R. |

I. POLICY

- 1.01 It is the policy of the Santa Cruz Metropolitan Transit District (District) that its workplace is free from the effects of drug and alcohol abuse. This policy is enforced in order to insure the safe and efficient operation and maintenance of its transportation system for its passengers, and to provide a safe work environment for its employees. This policy is also to avoid the dangers arising from substance abuse in the work place. These dangers include death and injury to the employee, co-workers, and the public resulting from accidents, dereliction of duty, poor judgment and carelessness. Substance abuse also results in lost productivity, reduced efficiency, and increased absenteeism by the substance abuser and interferes with the job performance of employees who do not use illegal or unauthorized substances.
- 1.02 No District employee shall: (1) use, possess, or be under the influence of drugs or other mind-altering substances; or (2) use or possess a container of alcohol or be under the influence to any extent that would impede the employee's ability to perform his or her duties safely and effectively. Furthermore, employees shall not perform duties, which because of drugs or medication taken under a legal prescription or non-prescription, cannot be performed without posing a threat to the health or safety of the employee or others.
- 1.03 The District is committed to providing safe, reliable, and efficient transportation services to the public, and a safe, healthy and productive work environment for its employees. In order to meet these goals, the Policy of the District is to:
- a. Create a work environment free from the adverse effects of drug and alcohol misuse;

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- b. Encourage employees to seek professional assistance when personal problems, including alcohol or drug dependency adversely affect their ability to perform their duties in a safe, productive and courteous manner;
 - c. Ensure that employees do not report to work or work with alcohol or drugs in their systems;
 - d. Prohibit the illegal use, possession, manufacture, sale or distribution of controlled substances by its employees;
 - e. Ensure that the reputation of the District and its employees is as responsible citizens worthy of public trust;
 - f. Provide guidelines and outline responsibilities for the testing of employees and employment candidates to determine drug abuse and alcohol misuse; and
 - g. Implement programs that are designed to help prevent accidents, injuries, and fatalities resulting from the misuse of alcohol and use of drugs by employees who perform safety sensitive functions.
- 1.04 District safety-sensitive employees will be subject to urine drug testing and breath alcohol testing in accordance with applicable federal law.
- 1.05 This Policy complies with the Federal Transit Administration (FTA) Regulations (49 CFR Parts 40 and 655 with applicable amendments) that mandate urine drug testing and breath-alcohol testing for safety- sensitive employees and the U.S. Department of Transportation (DOT) standards for the collection and testing of urine and breath specimens. All drug and alcohol testing as required by this policy is mandated by the FTA Regulations except that a second drug test is required if the results of a first test are determined by the MRO to be a negative dilute drug test which is pursuant to the District's own authority (See Section 9.10), and shall be in compliance with all Federal and State laws and regulations.
- 1.06 As required by the FTA Regulations, Attachment 1 lists the drugs or classes of drugs to be tested for and describes the testing procedures for drugs and alcohol; Attachment 2 provides information about the effects of alcohol misuse and the signs and symptoms of an alcohol problem; Attachment 3 provides information about the effects of drug abuse and the signs and symptoms of drug problems for each of the drugs to be tested; Attachment 4 lists job classifications considered to be safety-sensitive.

II. APPLICABILITY

- 2.01 This policy applies to all full-time and part-time safety- sensitive employees.

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- 2.02 Participation in the testing program as described in this policy is a condition of METRO employment for all safety-sensitive employees, but no employee-authorization is required.
- 2.03 An employee violating this policy is subject to disciplinary action up to and including discharge. See also Articles X Employees Responsibilities and XI Actions After a Positive Test for specific disciplinary actions. Any disciplinary actions taken as a result of a violation of this policy is pursuant to the District's own authority.
- 2.04 Compliance with this policy does not relieve an employee of compliance with applicable Federal and State laws and regulations.

III. CONTRACTOR APPLICABILITY

- 3.01 District contractors and subcontractors, as required, shall comply with 49 Code of Federal Regulations Parts 40 and 655 to the extent required by Federal law.
- 3.02 The Human Resources Manager shall insure that all applicable District contractors and subcontractors who are required to comply with the FTA drug and alcohol testing requirements are in actual compliance.

IV. RESPONSIBILITIES OF DESIGNATED EMPLOYER REPRESENTATIVE AND OTHERS

- 4.01 The Human Resources Manager (or in his/her absence, the Assistant General Manager) is designated as the District's Drug and Alcohol Testing Coordinator and Designated Employer Representative (DER), and shall ensure that the administration of all drug and/or alcohol tests comply with applicable laws. The Human Resources Manager shall be knowledgeable about the DOT and FTA regulations, and District policies and procedures for drug and alcohol testing. The Human Resources Manager shall be immediately accessible to collection site personnel, Breath Alcohol Technicians (BAT), and Medical Review Officers (MRO) and be prepared to address drug and alcohol testing issues, make decisions and provide direction in a timely manner. An employee seeking additional information about the program can contact his or her manager and/or the Human Resources Manager, 370 Encinal Street, Suite 100, Santa Cruz 95060, (831) 423-5583.
- 4.02 The Human Resources Manager shall post and distribute the District's Drug & Alcohol Testing Policy to each safety-sensitive employee and to representatives of employee organizations.
- 4.03 The Human Resources Manager shall maintain all records and reports pertaining to the drug and alcohol-testing program in a confidential manner.

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- 4.04 Each safety-sensitive employee shall receive a copy of this Policy and is responsible for reading, understanding and adhering to this Policy.
- 4.05 Managers and supervisors will be held accountable for the consistent application and enforcement of this Policy. Any manager/supervisor who knowingly disregards the requirements of this Policy, or who is found to have deliberately misused the Policy in regard to subordinates shall be subject to disciplinary action, up to and including discharge.
- 4.06 Any employee who has actual knowledge that an employee has used alcohol within four hours of performing a safety-sensitive function or is under the influence of drugs while performing a safety sensitive function shall report such knowledge immediately to either his/her Manager or the Human Resources Manager.
- 4.07 A Manager or Supervisor having actual knowledge that an employee is using alcohol while performing safety-sensitive functions shall not permit the employee to perform or continue to perform safety-sensitive functions.
- 4.08 After obtaining an applicant or employee's written consent who is seeking employment or a transfer to a safety sensitive position, the Manager of Human Resources shall request the following information from DOT-regulated employers who have employed the applicant/employee during any period during the two years before the date of the applicant/employee's application or transfer request:
- a. Alcohol tests with a result of 0.04 or higher alcohol concentration;
 - b. Verified positive drug tests;
 - c. Refusals to be tested, including verified or substituted drug test results;
 - d. Other violations of DOT agency drug and alcohol testing regulations;
 - e. With respect to any employee who violated a DOT drug and alcohol regulation, documentation of the employee's successful completion of DOT return-to-duty requirements, including follow-up tests. If no documentation is forthcoming, the Human Resources Manager shall seek to obtain the information from the applicant/employee.
- 4.09 If the applicant/employee refuses to provide written consent pursuant to Section 4.08 above, the applicant/employee shall not be permitted to perform safety-sensitive functions.

V. EDUCATION/TRAINING

- 5.01 The Human Resources Manager shall be responsible to establish and maintain an education and training program in order to promote the deterrence of the misuse of drugs and alcohol. The education component shall include display and distribution to every safety-sensitive employee informational material and a community service hot-line telephone number for employee assistance, if available. The Human Resources Manager shall maintain a copy of 49 CFR Part 40 in her/his office, which shall be made available to employees upon request.
- 5.02 Safety-sensitive employees shall be provided at least 60 minutes of training which must cover the effects and consequences of prohibited drug use on personal health, safety and the work environment and include information on the signs and symptoms that indicate prohibited drug use.
- 5.03 Managers, Supervisors and/or other District officials who are authorized to make reasonable suspicion determinations shall undergo at least one hour of training on the physical, behavioral, and performance indicators of probable drug use and at least one hour of training on the physical, behavioral, speech and performance indicators of probable alcohol misuse.

VI. REHABILITATION

- 6.01 Drug users and alcohol abusers are encouraged to make every effort to overcome the abuse and addiction that comes from use. Successful rehabilitation hinges upon users rehabilitating themselves with the assistance of outside professionals. The District provides an Employee Assistance Program (EAP) to assist employees in dealing with drug and alcohol related problems. Employees of the District who have a problem with drug or alcohol use are strongly encouraged to seek help voluntarily. In addition, all employees are encouraged to make use of other available resources for treatment for alcohol and substance abuse problems.
- 6.02 An employee may voluntarily seek help through a community based alcohol and/or drug rehabilitation program or through the District's EAP which provides assessment and referral services. A supervisor/manager may refer an employee to EAP for any problem(s) impacting job performance with the exception of an employee testing positive for drugs/alcohol in which case the employee will be referred to a Substance Abuse Professional (SAP).
- 6.03 An employee will be allowed up to a 30-day leave of absence for rehabilitation purposes. Employees may use their accumulated sick leave or annual leave for such purposes.

VII. TESTING

- 7.01 Employees shall submit to a urine test for the detection of drugs under the following circumstances:
- a. Pre-employment/Transfer to a safety sensitive position for the first time/Return to work;
 - b. Post accident;
 - c. Reasonable suspicion;
 - d. Random; and
 - e. Return-to-duty/follow-up.
- 7.02 An employee shall be tested for the following drugs:
- a. Marijuana;
 - b. Cocaine;
 - c. Opiates;
 - d. Amphetamines; and
 - e. Phencyclidine.
- 7.03 Employees are prohibited from consuming the drugs identified in Section 7.02 at all times.
- 7.04 Employees shall submit to a breath test for the detection of alcohol in the following circumstances:
- a. Transfer to a safety sensitive position for the first time/Return to work;
 - b. Post accident;
 - c. Reasonable suspicion;
 - d. Random; and
 - e. Return-to-Duty/Follow-Up Testing.

- 7.05 An employee is prohibited from using alcohol while performing safety-sensitive functions or at all times if the result is that his/her breath registers a 0.02 or greater when performing safety-sensitive functions.

VIII. TYPES OF TESTING

8.01 Pre-employment/Transfer Testing/Return to work:

- a. Applicants for District employment in safety-sensitive positions and employees transferring into safety-sensitive positions shall undergo urine drug testing with a verified negative result prior to employment or transfer.
- b. No pre-employment drug tests shall be given to an applicant or employee unless a contingent offer of employment or transfer subject to the applicant /employee passing the test has been made.
- c. The Human Resources Department shall inform an applicant and/or an employee seeking a safety sensitive position, prior to testing that drug tests including those for the detection of marijuana, cocaine, amphetamines, opiates, and phencyclidine will be administered. This notification shall be in writing and shall inform the applicant/employee that a positive test result shall be the basis for the decision to refuse to make the appointment or transfer as the case may be.
- d. Failure of a drug test will disqualify an applicant for employment to a safety-sensitive position.
- e. Employees attempting to transfer into safety-sensitive positions who fail a drug test shall not be permitted to transfer.
- f. Employees or applicants who have previously failed or refused a pre-employment drug test administered under this part, must provide proof of having successfully completed a referral, evaluation and treatment plan as described in section XI.
- g. When an employee has not performed a safety-sensitive function for 90 consecutive calendar days regardless of the reason, and the employee has not been in the random selection pool during that time, the employee shall take a pre-employment drug test with a verified negative result before performing safety-sensitive duties. An employee may, at the employee's discretion, take the test while he/she is still on leave as long as the applicable procedures are followed. Whether on leave or not, an employee testing positive shall be subjected to the procedures required by this policy following a positive test including disciplinary action.

- h. An applicant for District employment for a safety sensitive positions and employees transferring into safety sensitive positions shall undergo an alcohol test before employment or transfer.
- i. The alcohol test shall not be conducted until a contingent offer of employment or transfer subject to the applicant/employee passing the pre-employment alcohol test is made.
- j. An applicant or an employee wishing to transfer into a safety-sensitive position shall not be allowed to begin performing safety-sensitive functions unless the result of the employee's test indicates an alcohol concentration of less than 0.02

8.02 Reasonable Suspicion Testing:

- a. An employee shall be subject to drug and/or alcohol tests when there is a reason to suspect that such employee has used a prohibited drug or has misused alcohol. A reasonable suspicion referral for testing will be made on the basis of specific, contemporaneous, articulable observations concerning the appearance, behavior, speech or body odors of the employee, by a manager/supervisor trained in detecting signs and symptoms of drug use and alcohol misuse.
- b. Alcohol testing is authorized under this section only if the observations required are made during, just preceding, or just after the period of the workday that the employee is required to be in compliance.
- c. A supervisor/manager who has made the required observations may direct an employee to undergo reasonable suspicion testing for alcohol only while the employee is performing safety-sensitive functions; just before the employee is to perform safety-sensitive functions; or just after the employee has ceased performing such functions.
- d. If an alcohol test required by this section is not administered within two hours following the determinations to test, the supervisor/manager who made the observations shall prepare a report stating the reasons the alcohol test was not promptly administered. If the alcohol test is not given within eight (8) hours, following the determination to test, efforts to administer the test shall cease and the supervisor/manager shall prepare a report stating the reasons for not administering the test. All reports required by this section shall be forwarded promptly to the Human Resources Manager for review and appropriate action. The Human Resources Manager shall maintain a file for such reports.
- e. Under no circumstances shall an employee suspected of drug and/or alcohol intoxication be permitted to drive a District vehicle. District personnel shall transport such employee to the collection test site and offer to transport him/her to his/her residence or other appropriate destination after the test.

- f. The supervisor/manager who determined that there was reasonable suspicion to require a drug and/or alcohol test shall complete a report on a form provided by the District setting forth the behavioral signs and symptoms observed in the employee suspected of being under the influence of drugs and/or alcohol. A copy of the report shall be marked confidential and forwarded to the Human Resources Manager within twenty-four (24) hours of the determination.

8.03 Post Accident Testing:

- a. As soon as practicable following an accident involving the loss of human life, the District shall test for drugs and alcohol each surviving employee operating the mass transit vehicle (regardless of whether or not the vehicle is in revenue service) at the time of the accident. Any other employee whose performance could have contributed to the accident as determined by a manager/supervisor using the best information available at the time of the decision shall also be tested for drugs and alcohol.
- b. As soon as practicable following an accident (see "accident" definition) not involving the loss of human life, in which a mass transit vehicle is involved (regardless of whether or not the vehicle is in revenue service), each employee operating the mass transit vehicle at the time of the accident shall be tested for drugs and alcohol unless a manager/supervisor determines using the best information available at the time of the decision that the employee's performance can be completely discounted as a contributing factor to the accident. Such a decision must be documented in detail including the decision making process used to reach the decision not to test.
- c. Other employees whose performance could have contributed to the accident, as determined by a manager/supervisor using the best information available at the time of the decision shall also be tested for drugs and alcohol.
- d. Following an accident, the employee(s) shall be tested as soon as possible but not later than eight (8) hours for alcohol testing and 32 hours for drug testing. An employee involved in an accident must refrain from alcohol use for eight (8) hours following the accident or until (s)he undergoes a post-accident alcohol test, whichever comes first. Following an accident an employee must remain readily available for testing. If an employee does not remain readily available he/she shall be considered to have refused the tests and will be subject to employment discharge.
- e. An employee who leaves the scene of the accident without appropriate authorization prior to submission to drug and alcohol testing will be considered to have refused the tests and will be subject to employment discharge.

- f. Following an accident, field supervisory personnel at the scene shall do an immediate assessment of the condition of the employee to detect possible signs of the presence of drugs or alcohol.
- g. In compliance with FTA requirements alcohol testing shall be administered as soon as practicable after an accident. If the alcohol test is not administered within two (2) hours of the accident, the responsible Manager or Supervisor shall prepare a written report stating the reason why the test was not promptly administered. A copy of such report shall be forwarded to the Human Resources Manager and shall be available for inspection by the DOT or the FTA. All attempts to administer an alcohol test shall cease after eight (8) hours and all attempts to administer a drug test shall cease after 32 hours following the accident and shall be documented in the same manner with a written report to the Human Resources Manager.
- h. Following an accident based test, an employee shall not be allowed to perform safety-sensitive functions until the results of the test are known to the District and the employee.
- i. Nothing in this section shall be construed to require the delay of necessary medical attention for the injured following an accident or to prohibit a safety-sensitive employee from leaving the scene of an accident for the period necessary to obtain assistance in responding to the accident or to obtain necessary emergency medical care.
- j. The results of a blood, urine, or breath test for the use of prohibited drugs or alcohol misuse, conducted by Federal, State or local officials having independent authority for the test shall be considered to meet the requirements of this section provided such test conforms to the applicable Federal, State or local testing requirements and that the test results are obtained by the District. Such test results shall be used only when the District is unable to perform a post-accident test within the required period noted above.

8.04 Random Testing:

- a. A safety-sensitive employee will be subject to random, unannounced testing for drugs and alcohol using a computer based random number selection method. Each employee in the random pool will have an equal chance of being selected for testing and shall remain in the pool even after being tested. Random testing will be administered at random times during the day (or shift) to avoid predictability. Each employee shall be assigned a unique number, which shall be entered into a pool from which the selection should be made. The dates for administering unannounced testing of randomly selected employees shall be spread reasonably throughout the calendar year.

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- b. Once an employee is notified of his/her selection for a random test, he/she must be escorted immediately to the collection test site.
- c. A safety-sensitive employee shall be randomly tested for alcohol misuse while the employee is performing safety-sensitive functions; just before the employee is to perform safety-sensitive functions; or just after the employee has ceased performing such function. An employee may be randomly tested for prohibited drug use anytime while on duty.
- d. An employee who is not on duty because of sickness, vacation, jury duty, leave of absence, worker's compensation, family medical leave or any other purpose shall be removed from the random pool for purposes of random testing if the Manager of Human Resources determines using the best information available at the time that such employee will be absent for at least 90 days.

8.05 Employee Retest:

- a. After notification by the Medical Review Officer or the Human Resources Manager of a confirmed verified positive drug test, an employee may, within 72 hours, request that an additional test be conducted at a different DHHS - certified laboratory specified by the District. The request can only be made by the employee himself/herself but may be made orally. The test shall be conducted on the split sample that was provided at the same time as the original or primary sample.
- b. All costs for the employee requested testing, including the transportation of the split specimen to the second laboratory shall be paid by the District.

8.06 Return to Duty:

- a. Before any employee is allowed to return to duty to perform a safety-sensitive function following a verified positive drug test result, an alcohol result of 0.02 or greater, or for any other reason as required by FTA regulations, that employee must first be evaluated by a Substance Abuse Professional (SAP) and pass a return to duty test. The SAP will recommend a course of action to the employee.
- b. The purpose of the return to duty test and the evaluation of an individual's return to duty status by the SAP is to provide some degree of assurance that the individual is presently free of alcohol and/or any prohibited drugs and is able to return to work without undue concern about continued substance abuse. An employee must follow the recommendations of the SAP.
- c. Before a return to duty test is performed, the employee must be evaluated by a SAP to determine whether the employee has followed the recommendations for action by the SAP, including participation in a rehabilitation program.

- d. The employee must have a verified negative drug test result or an alcohol test result of less than 0.02 to return to a safety-sensitive function. If a drug test result is canceled, the employee shall be required to submit to and pass another drug test.

8.07 Follow-Up Testing:

- a. Once allowed to return to duty, an employee shall be subject to unannounced follow-up testing for at least 12 but not more than 60 months. The frequency and duration of the follow-up testing will be recommended by the SAP as long as a minimum of six tests are performed during the first 12 months after the employee has returned to duty.
- b. Follow-up testing is separate from and in addition to the regular random testing program. Employees subject to follow-up testing must also remain in the standard random pool and must be tested whenever their names come up for random testing even if this means being tested twice in the same day, week or month.
- c. If the employee is subject to drug follow-up tests, the employee may also be required to take one or more follow-up alcohol tests. If the employee is subject to alcohol follow-up tests, the employee may be required to take one or more follow-up drug tests with a verified negative result.

IX. MEDICAL REVIEW OFFICER (MRO)

- 9.01 All positive drug testing laboratory results will be reviewed by the District's MRO. The MRO shall verify and validate or invalidate test results.
- 9.02 The MRO shall conduct an administrative review of the control and custody form to ensure its accuracy.
- 9.03 The MRO shall review and interpret an employee's confirmed positive test by 1) reviewing the individual's medical history including any medical records and biomedical information provided, 2) affording the individual an opportunity to discuss the test result, and 3) deciding whether there is a legitimate medical explanation for the result, including legally prescribed medication.
- 9.04 The MRO shall attempt to notify each employee who has a verified positive test that the employee has 72 hours in which to request a test of the split specimen. If the employee requests an analysis of the split specimen within 72 hours of having been informed of a verified positive test, the MRO shall direct, in writing, the laboratory to ship the split specimen to another DHHS-certified laboratory for analysis. If the retest is determined to be negative then the first test shall be considered to have a negative result.

- 9.05 If the employee has not contacted the MRO within 72 hours of being notified of a verified positive drug test, the employee may present to the MRO information documenting that serious illness, injury, inability to contact the MRO, lack of actual notice of the verified positive test or other circumstances unavoidably prevented the employee from contacting the MRO in time.
- 9.06 If the MRO concludes that there is a legitimate explanation for the employee's failure to contact the MRO within 72 hours, the MRO shall direct that the analysis of the split specimen be performed.
- 9.07 If the MRO concludes that there is no legitimate explanation for the employee's failure to contact the MRO within 72 hours, then the MRO is not required to direct the analysis of the split specimen to be performed.
- 9.08 The MRO shall report each verified test result to the Human Resources Manager. Reporting of a verified positive result will not be delayed pending the split specimen analysis.
- 9.09 If the MRO determines that a positive drug test was dilute, the MRO and the District shall treat the test as a verified positive test. The employee will not be permitted to take another test based on the fact that the specimen was dilute.
- 9.10 If the MRO determines that a negative drug test was dilute, the employee will be directed to take another test immediately pursuant to the District's own authority. The collection of the specimen shall not be collected under direct observation unless there is another basis for such direct collection. The results of the second test, not that of the original test, will become the test of record on which the District will rely for purposes of this policy. If the second test is also negative and dilute, the employee will not be required to take a third test. If an employee is directed to take another test and the employee declines to do so, the employee has refused the test for purpose of this policy and action will be taken in accordance with this policy.

X. EMPLOYEE RESPONSIBILITIES

- 10.01 As a condition of employment, an employee must:
- a. Submit immediately to alcohol and/or drug tests at a District authorized collection site when ordered by a District Manager, Supervisor or law enforcement personnel.
 - b. Refrain from alcohol consumption within four (4) hours of reporting for duty or during the hours that (s)he is subject to duty, and while on-call.

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- c. Refrain from reporting for duty or remaining on duty while having an alcohol concentration level of 0.02 or greater.
- d. Refrain from alcohol use for eight (8) hours following an accident or until (s)he undergoes a post accident alcohol test, whichever occurs first.
- e. Refrain from the use of prohibited drugs.
- f. Upon arrival at the District's collection test site, he/she shall follow all instructions given by collection site personnel and District supervisory personnel in providing a specimen for drug and/or alcohol detection tests.
- g. Complete a drug and/or alcohol detection test, as applicable, in accordance with federal laws and regulations.
- h. Comply with the interview examination and/or evaluation as directed by the MRO.
- i. Comply with District requirements for treatment, after care, return to duty testing and follow-up testing.

10.02

- a. An employee shall be considered to have refused a drug and/or alcohol test under the following circumstances:
 - i.) Refusal to comply with a request for testing;
 - ii.) Refusal to complete and/or sign the required drug and/or alcohol testing form(s);
 - iii.) Providing false or misleading information in connection with a test;
 - iv.) Attempts to falsify/falsification of test results through tampering, contamination, adulteration, or substitution;
 - v.) Inability to provide a urine specimen or breath sample or sufficient volume as applicable, for required test without a valid medical explanation;
 - vi.) Verbal declaration of refusal to submit to testing;
 - vii.) Obstructive behavior to disrupt, or stop a test;
 - viii.) Physical absence resulting in the inability of the District to conduct a test;

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- ix.) Failure to undergo a medical examination to verify insufficient volume of urine or breath when requested;
 - x.) Failure to cooperate with any part of the testing process;
 - xi.) Failure to permit the observation or monitoring of specimen donation/collection when so required;
 - xii.) Failure to submit to a second test when required;
 - xiii.) Failure to comply with test instructions at the test site;
 - xiv.) Failure to report to the designated test site within the allotted time after notification of testing;
 - xv.) Failure to remain readily available for testing;
 - xvi.) Failure to remain at the testing site until the testing process is completed;
 - xvii.) A drug test result that is verified by the MRO as adulterated or substituted;
 - xviii.) Failure to sign the certification on Step 2 of the ATF form (alcohol test)
- b. An employee who refuses to submit to a drug and/or alcohol test as described above shall be removed from duty and immediately, referred to a SAP, and under the District's own authority, the employee shall be discharged from his/her employment with the District.
 - c. In no event shall an employee who engages in any of the conduct set forth above be permitted to perform any safety-sensitive function.
 - d. An employee/applicant shall be denied transfer/appointment to a safety sensitive position under the District's own authority.
- 10.03 Any employee/applicant who is being tested for a pre-employment test will not be considered to have refused the test if he/she engages in any of the behaviors set forth in Section 10.02 unless the applicant/employee has actually begun the collection process.
- 10.04 For an on-call employee the following procedure is established should he/she consume alcohol within 4 hours of performing a safety-sensitive function: 1) When notified that he/she must report for duty he/she must advise the District if he/she has used alcohol, and 2) indicate whether he/she is able to perform his/her safety sensitive function.

- a. If the employee believes he/she is not capable of performing safety sensitive functions, the employee shall be excused from doing so.
- b. If the employee believes he/she is capable of performing a safety-sensitive function, the employee shall be tested for alcohol and the employee shall be permitted to perform a safety-sensitive function if his/her alcohol concentration level measures less than 0.02. If the employee alcohol concentration level measures at 0.02 or greater he/she shall not be permitted to work. The standards for disciplinary action set forth in Article XI shall be applicable.

XI. ACTIONS AFTER A POSITIVE TEST

- 11.01 An employee who has a verified positive drug test, or has a confirmed alcohol test of 0.02 or greater or who refused to submit to a required drug or alcohol test shall be immediately removed from duty, and provided a listing of SAPs (names addresses, and telephone numbers). METRO shall make a good faith effort to provide the employee with at least three (3) names of SAPs. In the performance of its duties and responsibilities, the SAP shall follow the requirements of federal law and regulations. Neither METRO nor the employee shall seek a second evaluation by a SAP in order to obtain another recommendation. METRO is prohibited from relying on a second SAP evaluation obtained by an employee. The employee shall also be informed by the Human Resources Manager of educational and rehabilitation programs and resources available to the employee in evaluating and resolving problems associated with prohibited drug and alcohol use. Referral to the SAP does not shield an employee from disciplinary action or guarantee employment or reinstatement with the District. Within fifteen (15) working days of providing the employee with the list of SAPs, the employee shall provide the Human Resources Manager with evidence of participation in a SAP's evaluation and/or a SAP's referral. Failure to do so shall result in employment termination pursuant to the District's own authority. METRO shall pay for all SAP costs resulting from a first positive test. All treatment costs associated with a first positive test shall be the responsibility of the employee who may use his/her medical insurance, if applicable. Any SAP and/or treatment costs for a second positive test are the sole responsibility of the employee.
- 11.02 When an employee has a verified positive, adulterated or substituted test result or has otherwise violated a DOT agency drug & alcohol regulation, the employee will not be returned to the performance of safety-sensitive functions until or unless the employee successfully completes the return to duty process set forth herein.
- 11.03 A positive test for drugs or alcohol shall result in disciplinary proceedings being initiated pursuant to the District's own authority.
- 11.04 The following disciplinary standards shall apply for an employee who tests positive for drugs or alcohol:

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- a. If the breath sample tests at an alcohol concentration level of 0.02 - 0.039 (other than random), the employee shall be immediately removed from duty, referred to a SAP¹, and shall not be allowed to return to duty for at least eight hours. Such employee must follow the recommendations of the SAP. If an employee tests a second time at a concentration level of 0.02 or greater or tests at this level in a follow-up test, such employee shall be discharged.
 - b. When a test (other than random) shows the presence of alcohol, at a concentration level of 0.04 or greater, or drugs the following disciplinary standards shall apply:
 - i. Illegal Drugs - The safety-sensitive employee will be discharged following a positive test result.
 - ii. Alcohol - The safety-sensitive employee will be discharged following a positive test result.
 - c. When a random test shows the presence of drugs or alcohol in a concentration level of 0.02 or greater the following disciplinary standards shall apply:
 - i. An employee who tests positive on a first test for alcohol, at a concentration level of 0.02 or greater, or drugs shall be removed from duty immediately and shall be referred to a SAP. Such employee shall be allowed to return to duty after compliance with Articles 8.06 Return to Duty and 8.07 Follow-Up Testing.
 - ii. An employee who tests positive on a second test for alcohol, at a concentration level of 0.02 or greater, or drugs shall be discharged from his/her employment.
- 11.05 Nothing contained herein shall prevent the District from imposing a more severe disciplinary action should the specific facts and circumstances of the situation warrant such action.
- 11.06 Voluntary enrollment in the EAP or the SAP rehabilitation program does not excuse or exempt an employee from discipline if (s)he has alcohol or illegal drugs in his/her system while on duty.
- 11.07 Violations of this Policy shall be grounds for disciplinary action, up to and including discharge. Refusal to submit immediately to drug and alcohol tests at a District authorized collection site when ordered by a District Manager, Supervisor or law enforcement personnel shall subject employees to discharge proceedings for

¹ Referral to the SAP for an alcohol concentration level of 0.02-0.039 is pursuant to the District's own authority.

insubordination and gross misconduct. Such refusal shall be considered an admission of guilt.

- 11.08 When an employee has a verified positive drug test result, or has a confirmed alcohol test of 0.04 or greater, or refuses to submit to a drug or alcohol test required, the Human Resources Manager shall advise the employee of the resources available for evaluating and resolving problems associated with prohibited drug use and alcohol misuse, including the names, addresses and telephone number of SAPs and counseling and treatment programs.

XII. RELEASE OF TESTING RESULTS

- 12.01 The District is not authorized by federal law to release any testing records to law enforcement.
- 12.02 The District is allowed to release testing records in a criminal or civil action resulting from an employee's performance of safety-sensitive duties in which a court of competent jurisdiction determines that the drug or alcohol test information sought is relevant to the case and issues an order directing the District to produce the information.
- 12.03 The District will provide drug/alcohol-testing information of an employee or former employee to other agencies/companies, or an identified person when authorized in writing by such employee(s).
- 12.04 The District will release information pertaining to an employee's drug or alcohol test including the results, without the employee's consent in certain legal proceedings including a lawsuit, grievance (e.g. An arbitration concerning disciplinary action taken by the District against the employee) or administrative proceeding brought by, or on behalf of, the employee and resulting from a positive DOT drug or alcohol test or a refusal to test (including, but not limited to, adulterated or substituted test results).
- 12.05 In addition to the foregoing, the District will release drug or alcohol test information only as allowed by federal law or regulations.
- 12.06 The District will immediately notify the employee in writing of any information released pursuant to sections 12.02 and 12.04.
- 12.07 The District will comply with a request from DOT representatives as follows:
- a. Access to the facilities used for drug/alcohol program functions;
 - b. Release of all written, printed and computer based drug/alcohol program record, reports, files, materials, data, documents, agreements, contracts, policies and statements that are required by federal laws and regulations relating to drug/alcohol testing.

XIII. RETENTION OF RECORDS

13.01 The Human Resources Manager shall maintain records of the anti-drug and alcohol misuse programs as required by federal laws and regulations. The records shall be maintained in a secure location with controlled access.

13.02 The District shall keep the following records for the following periods of time:

| | |
|---|---------|
| Records of alcohol test results with alcohol concentration of 0.02 or greater | 5 years |
| Records of verified positive drug test results | 5 years |
| Documentation of refusals to take required alcohol/drug tests (including substituted or adulterated drug test results) | 5 years |
| Referrals to the SAP, SAP reports, Copies of annual MIS reports submitted to FTA | 5 years |
| All follow-up tests and schedules for follow-up tests | 5 years |
| Information obtained from previous employers concerning drug and alcohol test results of employees | 3 years |
| Records of the inspection, maintenance, and calibration of EBTs, Records related to the collection process and employee training. | 2 years |
| Records of negative drug test results and alcohol test results with a concentration of less than 0.02 | 1 year |

XIV. DEFINITIONS

14.01 Accident - Accident means an occurrence associated with the operation of a vehicle, including the operation of the lift or ramp, if as a result: 1) an individual dies; or 2) an individual suffers a bodily injury and immediately receives medical treatment away from the scene of the accident; or 3) one or more vehicles (including non-FTA funded vehicles) incurs disabling damage as the result of the occurrence and such vehicle or vehicles are transported away from the scene by a tow truck or other vehicle.

14.02 Alcohol Misuse - Occurs when an employee arrives at the work site with alcohol in his/her system; consumes a beverage containing alcohol while on duty, subject to duty, within four hours of reporting for duty, or during coffee and/or lunch breaks; or is late to work or absent from work due to the consumption of alcohol.

14.03 Breath Alcohol Technician (BAT) - Alcohol breath tests must be performed by a BAT who is trained in proficiency in the operation of the EBT he/she is using and in the alcohol procedures specified in the regulations.

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- 14.04 Collection Site - A place designated by the employer where individuals present themselves for the purpose of providing a specimen of their urine to be analyzed for the presence of drugs.
- 14.05 Contractor – a person or organization that provides a safety-sensitive service for the District consistent with a specific understanding or arrangement. The understanding can be a written contract or informal arrangement that reflects an ongoing relationship between the parties.
- 14.06 Controlled Substances - Any drugs that are classified by the Drug Enforcement Administration (DEA) into the five schedules or classes on the basis of their potential for abuse, accepted medical use and accepted safety for use under medical supervision. A drug in any of these schedules identifies that it is a controlled substance and determines the nature of supervisory control that must be exercised. Medications containing any controlled substances must be prescribed by a physician having a valid DEA license number.
- 14.07 DHHS - Department of Health and Human Services
- 14.08 Dilute specimen: A specimen with creatinine and specific gravity values that are lower than expected for human urine.
- 14.09 DOT - United States Department of Transportation.
- 14.10 Drug Abuse - Use of any illegal drug or controlled substance without a valid prescription, misuse of legally prescribed drugs, or use of illegally obtained prescription drugs. This includes use of prescription drugs legally prescribed to another individual other than one's self.
- 14.11 Employee - See Section 14.23 Safety-Sensitive Employee.
- 14.12 Evidential Breath Testing (EBT) Device - A device approved by the National Highway Traffic Safety Administration (NHTSA) for the evidential testing of breath and placed on the NHTSA's "Conforming Products List of Evidential Breath Measurement Devices" (CPL).
- 14.13 Follow-Up Testing - Unannounced drug and alcohol testing given to employees who have returned to duty after evaluation by the SAP. This type of test may be done up to a total of five years from the date the employee returns to duty. A minimum of six tests during the first twelve months is required.
- 14.14 FTA - Federal Transit Administration, an agency of the U.S. Department of Transportation.

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- 14.15 Illegal Use - Use of any illegal drug, misuse of legally prescribed drugs and use of illegally obtained prescription drugs.
- 14.16 Incident - A single event or occurrence, which triggers drug and alcohol tests, as defined in this policy.
- 14.17 Mass Transit Vehicle - Bus, van or automobile.
- 14.18 Medical Review Officer (MRO) - A District authorized licensed physician (medical doctor or doctor of osteopathy) responsible for receiving laboratory drug test results, who has knowledge of substance abuse disorders but who has been trained to interpret and evaluate laboratory test results in conjunction with an employee's medical history. A MRO verifies a positive test result by reviewing a laboratory report and an employee's unique medical history to determine whether the result was caused by the use of prohibited drugs or by an employee's medical condition.
- 14.19 Metabolite - A modified form of a drug that has been chemically altered by the body's metabolic system.
- 14.20 On-Call - See "Subject to Duty." See Section 14.24.
- 14.21 Positive Alcohol Test - The presence of alcohol in the body at a concentration of 0.02 or greater as measured by an Evidential Breath Testing (EBT) Device. Refusal to take a breath test without a valid medical explanation also constitutes a positive alcohol test.
- 14.22 Positive Drug Test - Any urine or blood that is chemically tested (screened and confirmed), shows the presence of controlled substances and is verified by the MRO. Refusal to take a drug test without a valid medical explanation also constitutes a positive drug test.
- 14.23 Safety-Sensitive Employee - An employee whose job functions are, or whose job description includes the performance of functions, related to the safe operation of mass transportation service. The following are the categories of safety-sensitive functions: a) operating a revenue service vehicle, including when not in revenue service; b) operating a non-revenue service vehicle when required to be operated by a holder of a Commercial Driver's License (CDL); c) controlling dispatch or movement of a revenue service vehicle or equipment used in revenue service; and d) maintaining revenue service vehicles or equipment used in revenue service. Any supervisor who performs or whose job description includes the performance of any function listed above is considered a safety-sensitive employee.
- 14.24 Subject-to-Duty - The status of an employee who is scheduled to report for work at an assigned time and/or who has not been finally and completely released from the responsibility of performing further work that day. Subject-to-Duty also means any employee who is responsible for being available to perform work on an emergency basis

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when called to do so, i.e., in an on call status, if said employee is guaranteed extra compensation because of his/her status as being on call. An employee who is simply responsible for responding if available when said employee is not within either definition above is not considered to be subject-to-duty for the purpose of this Policy.

- 14.25 Substance Abuse Professional (SAP) - A District authorized licensed physician, or a licensed or certified psychologist, social worker, employee assistance professional, or a certified addiction counselor with knowledge of and clinical experience in the diagnosis and treatment of drug and alcohol related disorders.
- 14.26 Use - The presence of any controlled substance in the body or the consumption of any beverage mixture or preparation, including any medication containing alcohol.
- 14.27 Vehicle - A bus, electric bus, van, automobile, rail car, trolley car, trolley bus or vessel. A mass transit vehicle is a vehicle used for mass transportation.
- 14.28 Vehicle Disabling Damage - Damage, which precludes departure of the vehicle from the scene of the accident in its usual manner in daylight after simple repairs. It includes damage to vehicles that could have been operated but would have been further damaged if so operated.
- a. Inclusion: Damage to vehicles that could have been driven but would have been further damaged if so driven.
 - b. Exclusions:
 - i. Damage, which can be remedied temporarily at the scene of the accident without special tools or parts.
 - ii. Tire disablement without damage even if no spare tire is available.
 - iii. Headlamp or tail light damage.
 - iv. Damage to turn signals, horn, or windshield wipers, which makes it inoperable.

ATTACHMENT 1

FACT SHEETS

DRUG DETECTION PERIODS

Detection periods vary; rates of metabolism and excretion are different for each drug and use. Detection periods should be viewed as estimates. Cases can always be found to contradict these approximations.

| Drug | Detection Period |
|---|----------------------------------|
| Amphetamines: Amphetamine Methamphetamine | 2-4 days 2-4 days |
| Cocaine: Benzoyllecgonine | 12-72 hours |
| Cannabinoids (Marijuana) Casual Use Chronic Use | 2-7 days Up to 30 days |
| Ethanol (Alcohol) | 12-24 hours |
| Opiates: Codeine Hydromorphone (Dilaudid) Morphine (for Heroin) | 2-4 days 2-4 days 2-4 days |
| Phencyclidine (PCP) Casual Use Chronic Use | 2-7 days Up to 30 days |

ATTACHMENT 2

ALCOHOL FACT SHEET

Alcohol is a socially acceptable drug that has been consumed throughout the world for centuries. It is considered a recreational beverage when consumed in moderation for enjoyment and relaxation during social gatherings. However, when consumed primarily for its physical and mood-altering effects, it is a substance of abuse. As a depressant, it slows down physical responses and progressively impairs mental functions.

SIGNS AND SYMPTOMS OF USE

- ___ Dulled mental processes
- ___ Lack of coordination
- ___ Odor of alcohol on breath
- ___ Possible constricted pupils
- ___ Sleepy or stuporous condition
- ___ Slowed reaction rate
- ___ Slurred speech

HEALTH EFFECTS

The chronic consumption of alcohol (average of three 12-oz. servings of beer per day, 1 ounce of whiskey, or six ounces of wine) over time may result in the following health hazards:

- ___ Decreased sexual functioning
- ___ Dependency (up to 10 percent of all people who drink alcohol become physically and/or mentally dependent on alcohol and can be termed "alcoholic")
- ___ Fatal liver diseases
- ___ Increased cancers of the mouth, tongue, pharynx, esophagus, rectum, breast, and malignant melanoma
- ___ Kidney disease
- ___ Pancreatitis
- ___ Spontaneous abortion and neonatal mortality
- ___ Ulcers
- ___ Birth defects (up to 54% of all birth defects are alcohol related).

SOCIAL ISSUES

- ___ Two-thirds of all homicides are committed by people who drink prior to the crime.
- ___ Two to three percent of the driving population is legally drunk at any one time. This rate is doubled at night and on weekends.
- ___ Two-thirds of all Americans will be involved in an alcohol-related vehicle accident during their lifetimes.
- ___ The rate of separation and divorce in families with alcohol dependency problems is 7 times the average.
- ___ 40% of family court cases are alcohol problem related.
- ___ Alcoholics are 15 times more likely to commit suicide than are other segments of the population.

- More than 60% of burns, 40% of falls, 69% of boating accidents and 76% of private aircraft accidents are alcohol-related.

THE ANNUAL TOLL

- 24,000 people will die on the highway due to the legally impaired driver.
- 12,000 more will die on the highway due to the alcohol-affected driver.
- 15,800 will die in non-highway accidents.
- 30,000 will die due to alcohol caused liver disease.
- 10,000 will die due to alcohol induced brain disease or suicide.
- Up to another 125,000 will die due to alcohol related conditions or accidents.

WORKPLACE ISSUES

- It takes one hour for the average person (150 pounds) to process one serving of an alcoholic beverage from the body.
- Impairment in coordination and judgment can be objectively measured with as little as two drinks in the body.
- A person who is legally intoxicated is 6 times more likely to have an accident than a sober person.

ATTACHMENT 3

AMPHETAMINE FACT SHEET

Amphetamines are central nervous system stimulants that speed up the mind and body. The physical sense of energy at lower doses and the mental exhilaration at higher doses are the reasons for their abuse. Although widely prescribed at one time for weight reduction and mood elevation, the legal use of amphetamines is now limited to a very narrow range of medical conditions. Most amphetamines that are abused are illegally manufactured in foreign countries and smuggled into the U.S. or clandestinely manufactured in crude laboratories.

DESCRIPTION

- Amphetamine is sold in counterfeit capsules or as white, flat, double-scored “mini-bennies.” It is usually taken by mouth.
- Methamphetamine is often sold as a creamy white and granular powder or in lumps and is packaged in aluminum foil wraps or sealable plastic bags. Methamphetamine may be taken orally, injected, or snorted into the nose.
- Trade/street names include Biphphetamine, Delcobese, Desotyn, Detedrine, Chetrol, Ritalin, Speed, Meth, Crank, Crystal, Monster, Black Beauties, and Rits.

SIGNS AND SYMPTOMS OF USE

- Hyperexcitability, restlessness
- Dilated pupils
- Increased heart rate and blood pressure
- Heart palpitations and irregular beats
- Profuse sweating
- Rapid respiration
- Confusion
- Panic
- Talkativeness
- Inability to concentrate
- Heightened aggressive behavior.

HEALTH EFFECTS

- Regular use produces strong psychological dependence and increasing tolerance to drug.
- High doses may cause toxic psychosis resembling schizophrenia.
- Intoxication may induce a heart attack or stroke due to spiking of blood pressure.
- Chronic use may cause heart and brain damage due to severe constriction of capillary blood vessels.
- The euphoric stimulation increases impulsive and risk-taking behaviors, including bizarre and violent acts.
- Withdrawal from the drug may result in severe physical and mental depression.

WORKPLACE ISSUES

- Since amphetamines alleviate the sensation of fatigue, they may be abused to increase alertness because of unusual overtime demands or failure to get rest.
- Low-dose amphetamine use will cause a short-term improvement in mental and physical functioning. With greater use or increasing fatigue, the effect reverses and has an impairing effect. Hangover effect is characterized by physical fatigue and depression, which may make operation of equipment or vehicles dangerous.

ATTACHMENT 3 (Continued)

COCAINE FACT SHEET

Cocaine is used medically as a local anesthetic. It is abused as a powerful physical and mental stimulant. The entire central nervous system is energized. Muscles are more tense, the heart beats faster and stronger, and the body burns more energy. The brain experiences exhilaration caused by a large release of neurohormones associated with mood elevation.

DESCRIPTION

- The source of cocaine is the coca bush, grown almost exclusively in the mountainous regions of northern South America.
- Cocaine Hydrochloride - “snorting coke” is a white to creamy granular or lumpy powder that is chopped into a fine powder before use. It is snorted into the nose, rubbed on the gums, or injected in veins. The effect is felt within minutes and lasts 40 to 50 minutes per “line” (about 60 to 90 milligrams). Common paraphernalia include a single-edged razor blade and a small mirror or piece of smooth metal, a half straw or metal tube, and a small screw cap vial or folded paper packet containing the cocaine.
- Cocaine Base - a small crystalline rock about the size of a small pebble. It boils at a low temperature, is not soluble in water, and is up to 90 percent pure. It is heated in a glass pipe and the vapor is inhaled. The effect is felt within seven seconds. Common paraphernalia includes a “crack pipe” (a small glass smoking device for vaporizing the crack crystal) and a lighter, alcohol lamp, or small butane torch for heating.
- Trade/street names include Coke, Rock, Crack, Free Base, Flake, Snow, Smoke and Blow.

SIGNS AND SYMPTOMS OF USE

- Financial problems
- Frequent and extended absences from meeting or work assignment 0‰ Increased physical activity and fatigue
- Isolation and withdrawal from friends and normal activities
- Secretive behaviors, frequent non-business visitors, delivered packages, phone calls
- Unusual defensiveness, anxiety, agitation
- Wide mood swings
- Runny or irritated nose
- Difficulty in concentration
- Dilated pupils and visual impairment
- Restlessness
- Formication (sensation of bugs crawling on skin)
- High blood pressure, heart palpitations, and irregular rhythm
- Hallucinations
- Hyperexcitability and overreaction to stimulus
- Insomnia
- Paranoia and hallucinations
- Profuse sweating and dry mouth
- Talkativeness

HEALTH EFFECTS

- Research suggests that regular cocaine use may upset the chemical balance of the brain. As a result, it may speed up the aging process by causing irreparable damage to critical nerve cells. The onset of nervous system illnesses such as Parkinson's disease could also occur.
- Cocaine use causes the heart to beat faster and harder and rapidly increases blood pressure. In addition, cocaine causes spasms of blood vessels in the brain and heart. Both effects lead to ruptured vessels causing strokes or heart attacks.
- Strong psychological dependency can occur with one "hit" of crack. usually, mental dependency occurs within days (crack) or within several months (snorting coke). Cocaine causes the strongest mental dependency of any known drug.
- Treatment success rates are lower than for other chemical dependencies.
- Cocaine is extremely dangerous when taken with depressant drugs. Death due to overdose is rapid. The fatal effects of an overdose are not usually reversible by medical intervention. The number of cocaine overdose deaths has tripled in the last four years.
- Cocaine overdose was the second most common drug emergency in 1986 - up from 11th place in 1980.

WORKPLACE ISSUES

- Extreme mood and energy swings create instability. Sudden noises can cause a violent reaction.
- Lapses in attention and ignoring warning signals greatly increase the potential for accidents.
- The high cost of cocaine frequently leads to workplace theft and/or dealing.
- A developing paranoia and withdrawal create unpredictable and sometimes violent behavior.
- Work performance is characterized by forgetfulness, absenteeism, tardiness, and missed assignments.

ATTACHMENT 3 (Continued)

CANNABINOIDS (MARIJUANA) FACT SHEET

Marijuana is one of the most misunderstood and underestimated drugs of abuse. People use marijuana for the mildly tranquilizing and mood - and perception-altering effects it produces.

DESCRIPTION

- Usually sold in plastic sandwich bags, leaf marijuana will range in color from green to light tan. The leaves are usually dry and broken into small pieces. The seeds are oval with one slightly pointed end. Less prevalent, hashish is a compressed, sometimes tar like substance ranging in color from pale yellow to black. It is usually sold in small chunks wrapped in aluminum foil. It may also be sold in an oily liquid.
- Marijuana has a distinctly pungent aroma resembling a combination of sweet alfalfa and incense.
- Cigarette papers, roach clip holders, and small pipes made of bone, brass, or glass are commonly found. Smoking “bongs” (large bore pipes for inhaling large volumes of smoke) can easily be made from soft drink cans and toilet paper rolls.
- Trade/street names include Marinol, THC, Pot, Grass, Joint, Reefer, Acapulco Gold, Sinsemilla, Thai Sticks, Hash, and Hash Oil.

SIGNS AND SYMPTOMS OF USE

- Reddened eyes (often masked by eyedrops)
- Slowed speech
- Distinctive odor on clothing
- Lackadaisical “I don’t care” attitude
- Chronic fatigue and lack of motivation
- Irritating cough, chronic sore throat

HEALTH EFFECTS GENERAL

- When marijuana is smoked, it is irritating to the lungs. Chronic smoking causes emphysema-like conditions.
- One joint causes the heart to race and be overworked. People with undiagnosed heart conditions are at risk.
- Marijuana is commonly contaminated with the fungus *Aspergillus*, which can cause serious respiratory tract and sinus infections.
- Marijuana smoking lowers the body’s immune system response, making users more susceptible to infection. The U.S. government is actively researching a possible connection between marijuana smoking and the activation of AIDS in positive human immunodeficiency virus (HIV) carriers.

PREGNANCY PROBLEMS AND BIRTH DEFECTS

- The active chemical, tetrahydrocannabinol (THC), and 60 other related chemicals in marijuana concentrate in the ovaries and testes.
- Chronic smoking of marijuana in males causes a decrease in sex hormone, testosterone, and an increase in estrogen, the female sex hormone. The result is a decrease in sperm count, which can lead to temporary sterility. Occasionally, the onset of female sex characteristics including breast development occurs in heavy users.
- Chronic smoking of marijuana in females causes a decrease in fertility and an increase in testosterone.
- Pregnant women who are chronic marijuana smokers have a higher than normal incidence of stillborn births, early termination of pregnancy, and higher infant mortality rate during the first few days of life.
- In test animals, THC causes birth defects, including malformations of the brain, spinal cord, forelimbs, and liver and water on the brain and spine.
- Offspring of test animals who were exposed to marijuana have fewer chromosomes than normal, causing gross birth defects or death of the fetus. Pediatricians and surgeons are concluding that the use of marijuana by either or both parents, especially during pregnancy, leads to specific birth defects of the infant's feet and hands.
- One of the most common effects of prenatal cannabinoid exposure is underweight newborn babies.
- Fetal exposure may decrease visual functioning and causes other ophthalmic problems.

MENTAL FUNCTION

Regular use can cause the following effects:

- Delayed decision-making
- Diminished concentration
- Impaired short-term memory, interfering with learning
- Impaired signal detection (ability to detect a brief flash of light), a risk for users who are operating machinery
- Impaired tracking (the ability to follow a moving object with the eyes) and visual distance measurements
- Erratic cognitive function
- Distortions in time estimation
- Long-term negative effects on mental function known as "acute brain syndrome," which is characterized by disorders in memory, cognitive function, sleep patterns, and physical condition.

ACUTE EFFECTS

- Aggressive urges
- Anxiety
- Confusion
- Fearfulness
- Hallucinations
- Heavy sedation
- Immobility

Drug and Alcohol Testing Policy

Revised: 10/22/04

- Mental dependency
- Panic
- Paranoid reaction
- Unpleasant distortions in body image.

WORKPLACE ISSUES

- The active chemical, THC, stores in body fat and slowly releases over time. Marijuana smoking has a long term effect on performance.
- A 500 to 800 percent increase in THC concentration in the past several years makes smoking three to five joints a week today equivalent to 15 to 40 joints a week in 1978.
- Combining alcohol or other depressant drugs and marijuana can produce a multiplied effect, increasing the impairing effect of both the depressant and marijuana.

ATTACHMENT 3 (Continued)

OPIATES (NARCOTICS) FACT SHEET

Opiates (also called narcotics) are drugs that alleviate pain, depress body functions and reactions, and, when taken in large doses, cause a strong euphoric feeling.

DESCRIPTION

- Natural and natural derivatives - opium, morphine, codeine, and heroin
- Synthetics - merperidine (Demerol), exymorphone (Numorphan), and oxycodone (Percodan)
- May be taken in pill form, smoked, or injected, depending upon the type of narcotic used.
- Trade/street names include Smack, Horse, Emma, Big D, Dollies, Juice, Syrup, and China White.

SIGNS AND SYMPTOMS OF USE

- Mood changes
- Impaired mental functioning and alertness
- Constricted pupils
- Depression and apathy
- Impaired coordination
- Physical fatigue and drowsiness
- Nausea, vomiting, and constipation
- Impaired respiration.

HEALTH EFFECTS

- IV needle users have a high risk for contracting hepatitis and AIDS due to the sharing of needles.
- Narcotics increase pain tolerance. As a result, people could more severely injure themselves or fail to seek medical attention after an accident due to the lack of pain sensitivity.
- Narcotics' effects are multiplied when used in combination with other depressant drugs and alcohol, causing increased risk for an overdose.

SOCIAL ISSUES

- There are over 500,000 heroin addicts in the U.S., most of whom are IV needle users.
- An even greater number of medicinal narcotic-dependent persons obtain their narcotics through prescriptions.
- Because of tolerance, there is an ever-increasing need for more narcotic to produce the same effect.
- Strong mental and physical dependency occurs.
- The combination of tolerance and dependency creates an increasing financial burden for the user. Costs for heroin can reach hundreds of dollars a day.

WORKPLACE ISSUES

Drug and Alcohol Testing Policy

Revised: 10/22/04

- Unwanted side effects such as nausea, vomiting, dizziness, mental clouding, and drowsiness place the legitimate user and abuser at higher risk for an accident.
- Narcotics have a legitimate medical use in alleviating pain. Workplace use may cause impairment of physical and mental functions.

ATTACHMENT 3 (Continued)

PHENCYCLIDINE (PCP) FACT SHEET

Phencyclidine (PCP) was originally developed as an anesthetic, but the adverse side effects prevented its use except as a large animal tranquilizer. Phencyclidine acts as both a depressant and a hallucinogen, and sometimes as a stimulant. It is abused primarily for its variety of mood-altering effects. Low doses produce sedation and euphoric mood changes. The mood can change rapidly from sedation to excitation and agitation. Larger doses may produce a coma-like condition with muscle rigidity and a blank stare with eyelids half closed. Sudden noises or physical shocks may cause a “freak out” in which the person has abnormal strength, extremely violent behavior, and an inability to speak or comprehend communication.

DESCRIPTION

- PCP is sold as a creamy, granular powder and is often packaged in one-inch square aluminum foil or folded paper “packets.”
- It may be mixed with marijuana or tobacco and smoked. It is sometimes combined with procaine, a local anesthetic, and sold as imitation cocaine.
- Trade/street names include Angel Dust, Dust, and Hog.

SIGNS AND SYMPTOMS OF USE

- Impaired coordination
- Severe confusion and agitation
- Extreme mood shifts
- Muscle rigidity
- Nystagmus (jerky eye movements)
- Dilated pupils
- Profuse sweating
- Rapid heartbeat
- Dizziness

HEALTH EFFECTS

- The potential for accidents and overdose emergencies is high due to the extreme mental effects combined with the anesthetic effect on the body.
- PCP is potentiated by other depressant drugs, including alcohol, increasing the likelihood of an overdose reaction.
- Misdiagnosing the hallucinations as LSD induced, and then treating with Thorazine, can cause a fatal reaction.
- Use can cause irreversible memory loss, personality changes, and thought disorders.
- There are four phases to PCP abuse. The first phase is acute toxicity. It can last up to three days and can include combativeness, catatonia, convulsions, and coma. Distortions of size, shape, and distance perception are common. The second phase, which does not always follow the first, is a toxic psychosis. Users may experience visual and auditory delusions,

paranoia, and agitation. The third phase is a drug-induced schizophrenia that may last a month or longer. the fourth phase is PCP-induced depression. Suicidal tendencies and mental dysfunction can last for months.

WORKPLACE ISSUES

- PCP abuse is less common today than in recent years. It is also not generally used in a workplace setting due to the severe disorientation that occurs.

ATTACHMENT 4

LIST OF SAFETY SENSITIVE JOB CLASSIFICATIONS BY TITLE

Vehicle Service Worker I/II
Vehicle Service Detailer
Vehicle Service Technician
Upholsterer
Body Repair Mechanic
Mechanic I/II/III
Lead Mechanic
Fleet Maintenance Supervisor
Fleet Maintenance Manager

Bus Operator
Transit Supervisor
Safety and Training Coordinator
Schedule Analyst
Base Superintendent
Operations Manager

Paratransit Administrator
Paratransit Superintendent
Paratransit Reservation and Scheduling Coordinator
Paratransit Safety & Road Response Coordinator
Paratransit Dispatch / Scheduler
Paratransit Operator
Paratransit Mechanic I and II

NOTE: List is subject to change as classifications are amended or added.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Request for Proposals (RFP)
For Supplemental Paratransit Services
District RFP No. 06-08

ATTACHMENT 3

**CONTRACT PERFORMANCE
AND SERVICE STANDARDS**



CONTRACT PERFORMANCE AND SERVICE STANDARDS

SUPPLEMENTAL PARATRANSIT SERVICES

Contract Standards

Contract period – Three years with two one-year extensions.

Performance Standards

Service provided under this agreement is expected to meet or exceed the standards set forth in the METRO ParaCruz Customer's Guide, the METRO ParaCruz Policies and Procedures, and as specified in this document. The following measures are used to gauge performance on an ongoing basis, to assure METRO ParaCruz customers that they are receiving high quality service. Santa Cruz METRO will verify these measures from time to time, at their discretion, as set forth elsewhere in this agreement.

On-time performance – the COFA reported an on-time performance of 95%. New policy allows 30 minute window for pick-ups to be on-time. Existing level of 95% is expected to be maintained, with 100% no earlier than 5 minutes before the Ready Window, and no later than 40 minutes after window ends. Each operator, whether prime or subcontractor, is expected to achieve this standard. The minimum acceptable on-time performance level based on performed trips is 92 percent of trips operated within the Ready Window.

Productivity – Current productivity is reported in the 1999 NTD as 1.88 passengers per hour. The current contract is based on a per-trip rate, resulting in unreliable productivity figures. The minimum productivity level for this contract will be 1.6 eligible and certification passengers per hour, based on operating hours not including deadhead to first pick-up or from last drop-off, or breaks. The performance of the prime and subcontractors shall be combined when calculating the productivity level.

Service Standards

Ride time – Currently, customers are used to ride times of approximately 30 minutes or less. The Santa Cruz METRO Board of Directors has adopted a policy of paratransit customer on-board ride time not exceeding 60 minutes under normal operating conditions, and regardless of the number of customers traveling at the same time.

Excessively late or missed trips – trips where the driver arrived at the pick-up location more than 40 minutes after the end of the pick-up window, regardless whether the trip is performed or not, are considered missed trips. Every effort

shall be made to notify the customer if the vehicle is running late, and this effort shall be documented. All missed trips are violations of the contract, and are subject to liquidated damages of \$50 per missed trip.

Incentives

A bonus of \$5,000 will be made available for operated productivity over 1.9 passengers per hour when on-time standard is met or exceeded for the same one-month period, based on reconciled data, and where chargeable complaints are less than 2 per 1,000 rides provided. This incentive is based on the performance of each the Prime and any subcontractors.

On a semiannual basis, the Contractor's accident/incident performance will be evaluated. Should the Contractor provide service with no avoidable accidents (accident that could have been avoided by the driver, or caused by the driver) or incidents the cause of which can be attributed to the negligence or fault of the driver or Contractor, the Contractor shall be awarded \$3,000 for those six (6) months of service.

Liquidated Damages

In addition to missed trips, METRO will assess liquidated damages for violations of standards that impact safety of passengers using METRO ParaCruz.

The following safety violations may be charged \$100 per documented incident:

- ◆ Drivers documented as providing trips and are not authorized due to:
 - DMV report does not meet minimum standards.
 - not meeting the standards of the Substance Abuse Policy.
 - Training not completed – retraining not performed.
 - not properly licensed, with first aid and medical card.
 - Accident not reported within 24 hours, (immediately, if passenger involved).
 - Driver or vehicle not insured (per day operated).
- ◆ Preventive Maintenance program not followed within METRO-defined standards for all vehicles operated under this agreement.
- ◆ Any vehicle not meeting standards set forth by METRO for acceptable tire wear that is used in service under this agreement.
- ◆ Any vehicle with inoperable wheelchair lift used in service under this agreement.

The following contractor violations may be charged \$1,000 per documented incident:

- ◆ Operating service under this contract while Contractor's Substance Abuse Policy is out of compliance with METRO's and the Federal Transit Administration standards, as amended from time to time.

- ◆ Lacking insurance coverage as specified under this agreement during any time within a one-month billing period.
- ◆ Each accumulation of 10 safety violations as described in the above section within a one-month billing period will result in an additional penalty of \$1,000.

Reporting

Service reporting standards are presented in the METRO ParaCruz Policies and Procedures. Santa Cruz METRO staff or their designee may review up to 100 percent of trip data as reconciled in Trapeze PASS at their discretion.

The Contractor shall honor any request for information or documentation regarding contract or services provided herein from Santa Cruz METRO or its designee. Failure to produce documentation requested as part of a review or audit of the Contractor will be considered a violation of this agreement.

Any failure to provide required reports or documents in the timeframe specified in this agreement will be considered a violation of this agreement and subject to liquidated damages of \$100 per request.

Reporting for vehicles owned by METRO: METRO requires that all revenue miles and non-revenue miles used by the provider and/or subcontractors for the period of July 1 through June 30 for each year of the contract be reported to METRO no later than July 15 of the same year.

Monthly invoices for services must be submitted to METRO no later than the 14th day of the month following the billing period, or late charges will be incurred.

The total amount of liquidated damages that may be imposed by Santa Cruz METRO shall not exceed in a single month an amount of more than the Contractor's non-disputed invoice for that month multiplied by 5%.



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

ADDENDUM NO. 1

REQUEST FOR PROPOSAL (RFP) NO. 06-08

FOR SUPPLEMENTAL PARATRANSIT SERVICES

March 13, 2007

Receipt of this Addendum No. 1 shall be acknowledged in your proposal response. Any adjustment resulting from this addendum shall be included in the RFP. Where in conflict, the terms and conditions of this addendum supersede those in the RFP.

1. PRE-PROPOSAL CONFERENCE MINUTES

On March 2, 2007, a pre-proposal meeting was conducted. Attached to this addendum are the recorded minutes for that meeting.

2. ADDITIONAL QUESTIONS

The last day to submit written questions will be Wednesday, March 21, 2007, 5:00 p.m. Questions can be faxed to 831-469-1958 or emailed to llongnecker@scmtd.com.

2. PROPOSAL DUE DATE.

The due date for proposals remains April 4, 2007, 5:00 p.m.

Lloyd Longnecker
Purchasing Agent

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- RFP No. 06-08

Supplemental Paratransit Services RFP Meeting

March 2, 2007

A RFP meeting for Supplemental Paratransit Services (RFP No. 06-08) was held at the District's Encinal Conference Room, 370 Encinal Street, on Friday, March 2, 2007 at 10:00 a.m.

1. CALL TO ORDER

Lloyd Longnecker called the meeting to order at 10:20 a.m.

PRESENT

Lloyd Longnecker, Purchasing Agent

Steve Paulson, Paratransit Administrator

Wally Brondstatter, Paratransit Superintendent

Alex Danganan, Santa Cruz Transportation, LLC

Ben Morada, Santa Cruz Transportation, LLC

Bill Lewis, MV Transportation

Jack Salmon, MV Transportation

James Monroe, Santa Cruz Transportation, LLC

Richard Camperud, Watsonville Transportation Inc./Courtesy Cab

Catherine P. Valdez, Community Bridges Lift Line

Lloyd Longnecker: Welcome everyone...we're here to talk about Supplemental Paratransit service...my name is Lloyd Longnecker, I'm the Purchasing Agent for the District. Steve Paulson is the Paratransit Administrator, and Wally Brondstatter is the Paratransit Superintendent. Basically, what I would hope is that Steve gives you a little rundown what the RFP is about and then answer any questions afterwards. If you have any questions that we can't answer at this meeting, the answers will be provided in the first addendum, which will include the minutes of this meeting as well.

Steve Paulson: Ok, in a nutshell, the District operates the Paratransit service directly...in-house...and is looking for supplemental providers to assist us with two different components. One is additional peak capacity and the other is off-peak service that doesn't necessarily warrant having a full time operator assigned to it. For instance—just for the sake of discussion—let's say we have a Watsonville-to-Watsonville, 6 am ride, and then there's not another ride in Watsonville for an hour-and-a-half. It's not very cost effective for us to send an operator from our base in Soquel to do that one half-mile ride and then have it sit and do nothing for an hour-and-a-half. So, that's one of the types of service we're looking to have taken care of for weekend service.

Our standard workforce is unionized—and that's an eight-hour guarantee and forty-hour week. That creates certain limitations on efficient and effective service delivery, because, for instance, on weekends the vast majority of the rides are within a four or five-hour timeframe, which means that we pay people to sit and do nothing for half their shift. So what we are looking for is vendors to do some of these things that are not cost effective for us to provide directly, as well as certain times of the day and certain days of

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the weeks. We have spikes in ride demand...and we don't want to get to a place where... currently we have a no-trip-denial philosophy and the District has been able to meet all of our demand. At some point in the future the program will grow to the point where we will not be able to continue to do this without these supplemental vendors. So those are the things that we are really looking for here.

Lloyd Longnecker: Any questions?

Question: Would most of the work be pre-scheduled or is it same-day service?

Steve Paulson: Good question...the majority of the work would be pre-scheduled. All of our rides are reserved no later than 5:00 pm the day prior to service. We do have will call-return, so about ten percent of our rides are demand-response...same day. Of course there will be times when an operator is delayed and a pre-scheduled piece of work might have a number of cancellations...literally about ten percent of the rides reserved will cancel the day prior and ten percent will cancel the same day. So you may go out with a pre-scheduled piece of work but then an hour's worth of it dropped out...an hour of cancellations. So we may have another operator running late and we may want to contact and add another rider to that schedule, but the majority of the work will be pre-scheduled.

Question: Is it the same scenario where you just fax over the schedule the night before and that's how it's set up for us to prepare the transportation for the next day.

Steve Paulson: What we are currently doing is a combination of electronic transmit and faxing.

Question: Do you have a general idea of how much work this will involve...is it going to be maybe fifteen...fifty rides a day. Do you have any kind of pattern on what your overflow currently is?

Steve Paulson: That is a little tough to answer, because there are a number of factors that are playing out even as we speak that may tend to change the current situation. So when I look into my crystal ball and look at the future, I would say that our ride demand would probably increase significantly in the next six months. So currently, about ten percent...that doesn't help you...

Question: The reason I ask the question is because in the RFP it explains about ten vehicles being provided and one spare ratio...I believe I read it in here somewhere...I just wanted to make sure that was the ratio so if five routes were being done by the subcontractor, then half the vehicles--obviously one vehicle would be the spare—the reason that term was in there was just to give us a ratio, right?

Steve Paulson: That's so you don't call us one morning and you say "Oh sorry, our van broke, so we can't do anything for you today."

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Question: So once the service, say...one of the scenarios you gave us on the weekend was a four-hour piece on the weekend...would that four-hour piece, if the assignment is supplemental services given to the contractor...would...and some cancellations come in that same day...I'm gonna have to assume that your dispatch would probably notify the contractor...is it the revenue hours that are worked or the revenue hours that are scheduled? How is the subcontractor reimbursed?

Steve Paulson: Our contract with you...if we send it over to you as a four-hour piece today, and then an hour of it cancels, you will be paid for four. On the flipside of that, if we needed to call you up and ask you do an extra hour for us and you said yes, then we would reimburse you for four hours plus one.

Question: We'll also be able to submit questions via email, I believe.

Lloyd Longnecker: Yes. I was gonna say that the proposals are due on the fourth of April...we have up to two weeks before that deadline to receive questions, so you can either email them to me, fax them to me or mail them to me...just make sure that you get them to me before the deadline. I believe that in the cover letter that went out, my email address is included in there, but if not I'll give it to you now, it's llongnecker@scmtd.com, and our fax number is 831-469-1958.

Question: Are you going to require the same stipulations for UTU drivers to have a class B license to transport in your vehicles?

Steve Paulson: Yes.

Question: And...but not in their personal vehicles...all vehicles they're transporting your clients...how about that?

Steve Paulson: To the best of my knowledge...yes.

Question: Will you be leasing vans...subcontracting vans?

Steve Paulson: We won't be leasing vans...we could provide them.

Question: And the vans are for METRO service only, correct?

Steve Paulson: Correct.

Question: Is that bonus still good...for the ridership per hour...that five thousand dollar bonus that was in there? And did you guys change your reservations for the fourteen days in advance for the riders?

Steve Paulson: We have yet to implement it, but there is a change in the length of time customers can book a ride ahead. It was fourteen days ahead...it is moving to three days ahead...not more than three days ahead, and the reason for that change was to reduce the number of cancellations and no-shows, because we get a lot of calls where

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

the customer calls up and needs to reschedule...we spend a lot of money and time on rides that never occur.

Question: Are you currently using a trapeze system?

Steve Paulson: Yes, we are.

Question: Will your system cross us off the no-show web...or how 'bout we'll just let you know when there is a no-show?

Steve Paulson: Right...yes...this is strictly service delivery...everything else we'll continue to do in-house.

Question: Can you give us a little overview on the service standards.

Steve Paulson: On-time performance...minimum ninety-two percent...and on-time performance means within the ready-window. So the ready-window is...the customer has a negotiated pick-up time of minus ten, plus twenty...that's a thirty-minute window.

Lloyd Longnecker: Anything else? All right...like I said, you have more time to throw more questions at us in writing and we'll respond to it. So we'd like to try and keep the deadline of April 4th.

Question: So March 16th is the deadline for questions?

Lloyd Longnecker: I'll make a notation on that in the first addendum (**March 21, 2007, 5:00 p.m. will be the last day to submit questions**), okay?
Well, thank you for coming.

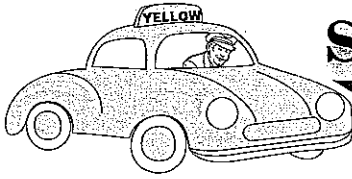
2. **ADJOURN**

The meeting adjourned at 10:35 a.m.

Respectfully submitted,



ANTHONY TAPIZ
Administrative Assistant



Santa Cruz Transportation, LLC

PHONE: 831.423.1234

EXHIBIT - B

Wednesday, April 04, 2007
District Purchasing Office
Lloyd Longnecker
110 Vernon St., Suite B
Santa Cruz, CA, 95060

Dear Lloyd:

Enclosed find Santa Cruz Transportation, LLC , updated information package regarding District RFP No. 06-08.

If you should find any questions or comments please contact me by cell phone, at the office or by electronic mail.

Yours truly,

Santa Cruz Transportation, LLC
By, James C Monroe

**PROFESSIONAL SERVICES CONTRACT FOR
SUPPLEMENTAL PARATRANSIT SERVICES (04-07)**

THIS CONTRACT is made effective on November 1, 2004 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("District"), and SANTA CRUZ TRANSPORTATION LLC ("Contractor")

1. RECITALS

1.01 District's Primary Objective

District is a public entity whose primary objective is providing public transportation and has its principal office at 370 Encinal Street, Suite 100, Santa Cruz, California 95060

1.02 District's Need for Supplemental Paratransit Services

District has the need for Supplemental Paratransit Services. In order to obtain these services, the District issued a Request for Proposals, dated August 17, 2004, setting forth specifications for such services. The Request for Proposals is attached hereto and incorporated herein by reference as Exhibit "A".

1.03 Contractor's Proposal

Contractor is a firm/individual qualified to provide Supplemental Paratransit Services and whose principal place of business is located in Santa Cruz, California. Pursuant to the Request for Proposals by the District, Contractor submitted a proposal for Supplemental Paratransit Services, which is attached hereto and incorporated herein by reference as Exhibit "B".

1.04 Selection of Contractor and Intent of Contract

On September 24, 2004 District selected Contractor as the offeror whose proposal was most advantageous to the District, to provide the Supplemental Paratransit Services described herein. This Contract is intended to fix the provisions of these services.

District and Contractor agree as follows:

2. INCORPORATED DOCUMENTS AND APPLICABLE LAW

2.01 Documents Incorporated in this Contract

The documents below are attached to this Contract and by reference made a part hereof. This is an integrated Contract. This writing constitutes the final expression of the parties' contract, and it is a complete and exclusive statement of the provisions of that Contract, except for written amendments, if any, made after the date of this Contract in accordance with Section 13.14.

A. Exhibit "A"

Santa Cruz Metropolitan Transit District's "Request for Proposals" dated August 17, 2004 including Addendum No. 1 dated September 3, 2004.

B. Exhibit "B" (Contractor's Proposal)

Contractor's Proposal to the District for Supplemental Paratransit Services, signed by Contractor and dated September 7, 2004.

C. Exhibit "C"

Contractor's revised cost proposal page with changes to the Single Ride Metered Rate section.

2.02 Conflicts

Where in conflict, the provisions of this writing supersede those of the above-referenced documents, Exhibits "A" and "B". Where in conflict, the provisions of Exhibit "A" supercede Exhibit "B". Where in conflict, the provisions of Exhibit "C" supercede Exhibit "B"

2.03 Recitals

The Recitals set forth in Article 1 are part of this Contract.

3. DEFINITIONS

3.01 General

The terms below (or pronouns in place of them) have the following meaning in the contract:

3.01.01 CONTRACT - The Contract consists of this document, the attachments incorporated herein in accordance with Article 2, and any written amendments made in accordance with Section 13.14.

3.01.02 CONTRACTOR - The Contractor selected by District for this project in accordance with the Request for Proposals issued August 17, 2004.

3.01.03 CONTRACTOR'S STAFF - Employees of Contractor

3.01.04 DAYS - Calendar days.

3.01.05 OFFEROR - Contractor whose proposal was accepted under the terms and conditions of the Request for Proposals issued August 17, 2004.

3.01.06 PROVISION - Any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulation in the contract that defines or otherwise controls, establishes, or limits the performance required or permitted by either party.

3.01.07 SCOPE OF WORK (OR "WORK") - The entire obligation under the Contract, including, without limitation, all labor, equipment, materials, supplies, transportation, services, and other work products and expenses, express or implied, in the Contract.

4. TIME OF PERFORMANCE

4.01 Term

The term of this Contract will be for a period not to exceed three (3) years and shall commence upon the issuance of the contract by the District.

At the option of the District, this contract agreement may be renewed for two (2) additional one (1) year terms upon mutual written consent.

5. COMPENSATION

5.01 Terms of Payment

District shall compensate Contractor in an amount not to exceed the amounts/rates agreed upon by the District. District shall reasonably determine whether work has been successfully performed for purposes of payment. Compensation shall be made within forty-five (45) days of District written approval of Contractor's written invoice for said work. Contractor understands and agrees that if he/she exceeds the \$450,000 maximum amount payable under this contract, that it does so at its own risk.

5.02 Invoices

Contractor shall submit invoices with a project number provided by the District on a monthly basis. Contractor's invoices shall include detailed records showing actual time devoted, work accomplished, date work accomplished, personnel used, and amount billed per hour. Expenses shall only be billed if allowed under the Contract. Telephone call expenses shall show the nature of the call and identify location and individual called. Said invoice records shall be kept up-to-date at all times and shall be available for inspection by the District (or any grantor of the District, including, without limitation, any State or Federal agency providing project funding or reimbursement) at any time for any reason upon demand for not less than four (4) years after the date of expiration or termination of the Contract. Under penalty of law, Contractor represents that all amounts billed to the District are (1) actually incurred; (2) reasonable in amount; (3) related to this Contract; and (4) necessary for performance of the project.

6. NOTICES

All notices under this Contract shall be deemed duly given upon delivery, if delivered by hand; or three (3) days after posting, if sent by registered mail, receipt requested; to a party hereto at the address herein under set forth or to such other address as a party may designate by notice pursuant hereto.

DISTRICT

Santa Cruz Metropolitan Transit District
370 Encinal Street
Suite 100
Santa Cruz, CA 95060
Attention: General Manager

CONTRACTOR

Santa Cruz Transportation LLC
2964 Soquel Avenue
Santa Cruz CA 95062
Attention: Owner

7. OTHER VENDORS


Nothing contained within this Contract precludes the District from contracting with other vendors for the same or similar services. This contract does not guarantee that Contractor will be awarded any specific number of paratransit rides. District is vested with sole discretion in the awarding of paratransit rides to Contractor and/or to other vendors.

8 AUTHORITY

Each party has full power and authority to enter into and perform this Contract and the person signing this Contract on behalf of each has been properly authorized and empowered to enter into this Contract. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it

Signed on 10/26/04

DISTRICT
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT



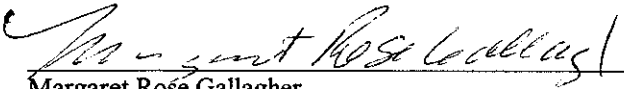
Leslie R. White
General Manager

CONTRACTOR
SANTA CRUZ TRANSPORTATION LLC



By James Monroe
Owner

Approved as to Form:



Margaret Rose Gallagher
District Counsel

Part II

GENERAL INFORMATION FORM
SUPPLEMENTAL PARATRANSIT SERVICES 04-07

(To be completed by the offeror and placed at the front of your proposal)

Santa Cruz Transportation, LLC
Legal Name of Firm

4-4-2007
Date

2964 Soquel Ave. #C, Santa Cruz, CA 95062
Firm's Address

(831) 423-1234
Telephone Number

(831) 465-6519
Fax Number

LLC Partnership
Type of Organization (Partnership, Corporation, etc.)

20-0984187
Tax ID Number

Offeror understands and agrees that, by his/her signature, if awarded the contract for the project, he/she is entering into a contract with the District that incorporates the terms and conditions of the entire Request for Proposals package, including the General Conditions section of the Request for Proposals. Offeror understands that this proposal constitutes a firm offer to the District that cannot be withdrawn for ninety (90) calendar days from the dates of the deadline for receipt of proposals. If awarded the contract, offeror agrees to deliver to the District the required insurance certificates within ten (10) calendar days of the Notice of Award.


Signature of Authorized Principal

James C. Monroe; Owner + General Partner w/ Alexander Danganan
Name of Principal-in-charge and Title

James C. Monroe; Owner + General Partner w/ Alexander Danganan
Name of Project Manager and Title

James C. Monroe, Owner; e-mail: jamescmonroe@comcast.net (831) 423-1234
Name, Title, Email Address & Phone Number of Person to Whom Correspondence Should Be Directed

P.O. Box 3328, Santa Cruz, CA 95063-3328
Addresses Where Correspondences Should Be Sent

All Areas as described in the SCMTD RFP and the SCT Proposal
Areas of Responsibility of the Prime Contractor

COST PROPOSAL

Dedicated Service Hour Rate (METRO Vehicles)

The rate for 4 hour dedicated vehicles provided by SCMTD is currently \$46.20 per hour as the contract continues.

Dedicated service hour vehicle rates are increased by 5% (to address anticipated inflation, fuel increases, etc.) at each one-year anniversary of this contract.

Dedicated Service Hour Rate (Non-Metro Vehicles)

Rates for vehicles provided by Santa Cruz Transportation, LLC will be \$52 per hour at the onset of this contract.

Dedicated service hour rates will be increased by 5% (to address anticipated inflation, fuel increases, etc.) at each one-year anniversary of this contract.

Single Ride Metered Rate

The cost for single rides will be the metered taxi rate, plus \$3.00, as set by the City of Santa Cruz and other North Santa Cruz County cities. Metered rides will be subject to vehicle availability.

The current metered rate is \$3.00 per flag drop (pick-up), plus \$2.25 per mile, broken down into 1/9-mile increments.

For example, a passenger traveling 2.2 mile would be charged \$11.00 (\$3.00 for the flag drop; \$3.00 ADA charge; \$4.50 for two miles at \$2.25 each; and \$0.50 for each increment of 1/9 of a mile).

Metered rates start at the time the passenger boards the vehicle, and ends at the passenger's disembarkment.

Listings of major sub-consultants proposed (if applicable), their phone numbers, and areas of responsibility (indicate which firms are DBE's):

| <u>Company</u> | <u>Phone Number</u> | <u>Responsibility</u> |
|--------------------------|---------------------|------------------------------------|
| Dos Amigos Auto Repair | (831) 464-1205 | Vehicle repair & maintenance |
| North Bay Ford | (831) 457-5859 | Vehicle repair & maintenance |
| Holser's Tire Service | (831) 475-2893 | Tire repair and replacement |
| USIS Commercial Services | (800) 288-8504 | Drug & Alcohol Testing |
| Doctor's On Duty | (831) 425-7991 | Pre-employment/Random Drug Testing |

Santa Cruz Transportation, LLC, anticipates providing all services directly other than the contracted services listed above. In no case will any other agency be providing direct service to any client, neither by conversation nor in the form of transport. Any revisions that would result in client contacts through a subcontractor would be thoroughly discussed with SCMTD and agreed upon in writing prior to implementation.

Santa Cruz Transportation, LLC, is not aware of DBE status for any of these contractors.

TECHNICAL PROPOSAL

Service Management

SCT operates 24 hours per day, 7 days per week, and 365 days per year. At all times the office is open to phone calls, and all drivers are supported by central dispatch, easily reached via the radio in each vehicle.

Requests for service are easily incorporated into Santa Cruz Transportation's (SCT) existing operations. Schedules for dedicated vehicles are copied and directly handed to each driver of the dedicated vehicles. A copy is used by the dispatcher on duty to assure the trips are completed as requested. Each driver begins their route at the main SCT office, and if there are any questions regarding the assignments, dispatchers resolve them before the beginning of the trip to be provided.

Additional requests are dealt with in two different manners, depending on whether they are part of the daily schedule provided by SCMTD, or if they're last minute additions.

Advance requests are scheduled directly by the SCT dispatcher, matching the client up with the taxi expected to be in the closest proximity to the client's origin. Before assignment, the dispatcher checks the schedule received by the SCMTD and determines if a wheelchair equipped vehicle or other special accommodation is needed. In most instances, rides will be dispatched to a variety of drivers so as not to bog down one particular vehicle and increase the likelihood of delays. In cases when an assigned driver is running late, the SCT dispatcher will coordinate with SCMTD to re-assign passengers to allow the driver to get back on time.

Last minute requests will be accommodated based on the mobility needs of the passenger and will also be weighed against the existing schedule before being added. The SCT dispatcher will determine if adequate capacity exists in the fleet to add a last minute and not negatively impact the on-time performance of previously scheduled trips. Should delays be imminent, the SCT dispatcher will inform SCMTD of the amount of time it will take to perform the additional trip, and will only continue with the request if SCMTD requests doing so.

Late night, same day, weekend, and last minute requests do not present any unusual circumstance (other than capacity) for Santa Cruz Transportation. The nature of our 24/7 operation is such that our methods for scheduling trips of this nature won't vary from trips requested during "standard" office hours.

Santa Cruz Transportation takes complaints very seriously. We believe that without a method to not only respond to complaints, but receive them, we can't learn how to improve our services. All ADA complaints will be duly recorded, and SCT management staff will review each complaint individually for appropriate corrective action. All complaints will be forwarded to SCMTD within the guidelines required by this contract. Complaints received from SCMTD will be responded to within 48 hours. In the event additional investigation is needed beyond what is reasonably possible within 48 hours, SCT will inform SCMTD of the need to gather additional information, and will report it promptly upon resolution. In no case will SCT fail to provide complaint feedback in less than the required time.

All Para transit services will be provided in a manner that meets Metro's adopted service standards in a safe, reliable, cost-effective manner, utilizing clean vehicles and customer friendly personnel.

SCT dispatchers are required to report, on an hourly basis, to SCMTD dispatch, regarding the status of the rides to ensure that services are provided on a timely, safe and efficient manner.

All drivers will operate in compliance with **Attachment #1** of the RFP. Assistance to all passengers will be provided, unless refused by the passenger.

SCT's Drug and Alcohol Policy is included as **Attachment #1** of this proposal. All employees and drivers have received a copy of the company's Drug and Alcohol Policy. All components of this policy will be strictly enforced. USIS Commercial Services and Doctor's on Duty will act as SCT's contracted Drug and Alcohol testing agents. All U.S. DOT and METRO requirements will be met.

Random Drug and Alcohol Testing are being conducted on a monthly basis. USIS provides the list of employees/drivers chosen for Random Testing every 5th of the month.

Safety and Training

Passenger safety is at the forefront of any ride provided by Santa Cruz Transportation. Perhaps the first line of safety is the vehicle themselves. Our comprehensive preventive maintenance program insures that our vehicles are mechanically sound. Each driver performs a daily vehicle inspection to ensure all vehicles are safe to operate between scheduled maintenance. Radio dispatch provides additional safety in the event of unforeseen problems during the trip.

Driver training and experience is the most important aspect of passenger safety in any transportation system, and Santa Cruz Transportation goes to great lengths to ensure drivers are properly prepared for the challenges they face on a daily basis.

Driver training starts with the actual screening of applicants. The SCT Business Office will screen the application with supporting DMV printout and driver references are checked with former employers. If the driver passes this initial screening, they are forwarded to the owner, James Monroe. Pre-employment drug and alcohol screening must be passed before a position is formally offered.

Once selected, the new candidate is given an orientation session (including fares, paperwork, radio operation, mechanical inspection, etc.) by owner James Monroe. Following the orientation, drivers will continue to have an ongoing training that will cover major topics including:

- What are the key reasons for traffic collisions?
- How to identify potential problems early?
- What is the proper following distance and why?
- How to more effectively isolate your vehicle in traffic?
- How to avoid the rear-end collision?
- Ways to reduce the threat of the "other driver" (defensive driving).

Drivers of sedans are then put into active, hands-on training, riding with an experienced driver to learn the ropes of being a taxi operator. Following this exercise, the driver then reverses roles, driving the vehicle under the tutelage of an experienced driver. At the end of each partnered shift, the trainee reports any remaining questions to the office. New hires are closely monitored by dispatch staff to resolve any potential training challenges.

Drivers of wheelchair-equipped vehicles receive additional training to those of metered sedans. The importance of learning proper procedures for wheelchair securement is highly emphasized. Owner James Monroe personally trains drivers in these skills. Ride-along occurs in a manner similar to those of sedan drivers, with wheelchair securement again highlighted.

Each driver, regardless of vehicle design, is taught the essentials of quality customer service, with a special focus on proper techniques in assisting those with physical or mental challenges such as frailty, dementia, visual impairment, hearing loss, or speech impediments.

All drivers operating records are inspected daily by office staff, and corrections to mistakes are addressed prior to the beginning of the driver's next shift.

Customized training is provided to any driver who is struggling with a particular aspect of service, based on feedback from dispatchers, other drivers, or customers. Depending on the nature of the feedback, this training is provided by the SCT staff deemed most appropriate to provide information (e.g. owner James Monroe for basics; radio usage, etc.).

Dispatch training is overseen by the owner James Monroe and dispatcher supervisor Adriana Moran. Using a hands-on, side-by-side format, dispatchers are trained in much the same style as drivers. Call-taking, use of computerized dispatching system, emergency procedures, emergency contacts, maintenance contacts, vendor phone numbers, daily log in and log out procedures, etc., are all explained and reviewed as part of the new dispatcher's training package.

Recruitment for all employees follows standard practices of placing advertisements in local newspapers and computerized list servers such as the Santa Cruz Sentinel, Craig's List, and Santa Cruz Jobs.com.

Dispatch and other office staff are often gleaned from the existing fleet of drivers. Drivers who demonstrate office abilities and proficiency in completing paperwork and operating the radio in their vehicles are noted, and approached to see if they have an interest in learning dispatch skills, often starting as backups to existing staff. In no case are new hires assigned to solo duty until both the new hire and the supervisor are confident in the trainee's ability to complete tasks safely and efficiently.

During all operations, the owner operators are available by cell phone, if not physically present in the office. All staff is encouraged to contact the owner(s) in the event of any emergency or issue for which additional assistance is needed.

All training provides our staff the skills necessary to fulfill the responsibilities associated with the provision of supplemental Para transit services as described in the METRO RFP.

None of the service provided under this contract will be delivered through the use of subcontractors unless agreed to by SCMTD in advance of the subcontracting. No use of subcontractors is anticipated at the time of this submission.

SCT assures compliance with the management, reporting, testing, insurance, and safety requirements of this RFP and its various attachments by the submission of this proposal. Certificates of Insurance naming SCMTD as an additional insured will be provided with the execution of the contract.

Facilities and Equipment

Santa Cruz Transportation offices are housed at 2964 Soquel Avenue, Suite C, conveniently located in the middle of our service area. The site's close proximity to Highway One serves as an ideal starting point for our drivers, allowing minimal "dead-head" time to their first pickup of the day.

Santa Cruz Transportation occupies 990 sq. feet of professional office space, in which our dispatch and scheduling operations are centered. Smaller offices within this space are used for our business and reporting functions, including our bookkeeper and all staff working on reports to this proposal.

Portable buildings adjacent to the main office provide another 660 sq. feet of office space, meeting rooms and storage area.

The location has a gated entrance, insuring safety of the vehicles parked on the site, and security for employees. Parking is available for thirty (30) Santa Cruz Transportation vehicles. SCMTD ParaCruz vehicles provided in this proposal would be stored on-site when not in operation.

Santa Cruz Transportation operates a multi-line phone system; insuring clients don't receive busy signals when contacting our offices. We use Mobile Knowledge computerized scheduling software, a standard for the taxi industry. Four workstations are linked together through our Local Area Network. Our Dispatch1 Station is the hub of the operation; supported by call taker station 2, 3, 4 & 5. Each station has Caller ID and TAPI integration for call history. Call history is automatically recorded on the computer system.

Our contracted automotive maintenance agency, Dos Amigos Auto Repair, is conveniently housed in the same commercial buildings as our operation. Consequently, fleet maintenance and repair is not only convenient, but also timely. Drivers and management are not burdened with lost time in transporting vehicles to a repair shop and needing shuttles back to the office, and follow-up conversations regarding repair work are easily facilitated.

SCT's fleet of vehicles is listed in **Attachment #2**. The fleet includes adequate backup vehicles to comply with the requirements of the RFP. For dedicated vehicles, we request the use of three (3) SCMTD-owned ParaCruz minivans for dedicated service.

SCT plans on operating its current fleet in ADA ParaCruz service until the vehicles exceed the allowed age limits. SCT anticipates replacing the older vehicles in the coming year, depending on level of usage. Reductions in rides assigned to SCT may eliminate the need for the purchase of replacement vehicles; again, depending on how many ParaCruz vehicles are provided.

SCT's vehicle maintenance system will follow the guidelines outlined in the SCMTD RFP. Copies of the vehicle maintenance forms to be used are included as **Attachment #3**.

Dispatch System

All SCT vehicles are radio dispatched. Dispatchers are on duty 24 hours per day, 7 days per week, and 365 days per year. Owners are available via cell phone at all times. As described elsewhere in this proposal, rides assigned to dedicated vehicles will operate using the manifest provided by SCMTD. Other rides will be scheduled and dispatched by the most effective means available, as determined by the SCT dispatcher on duty. In no case shall the ride times, pickups, equipment or drivers utilized be inconsistent with the requirements of this contract.

Each trip is tracked in SCT's computerized dispatch system. Drivers confirm the completion of their trip with SCT dispatch via radio, informing the dispatcher of their present location and availability for additional assignments.

Service Startup

Santa Cruz Transportation has been providing ADA Para transit services since onset of the program in 1992.

Prior to the beginning of ADA Para transit services, Santa Cruz Transportation provided wheelchair accessible service to the community directly and through contracts with Food & Nutrition Services, beginning in 1989.

Our extensive experience in this field makes service start up an easy challenge to face. Once the contract is awarded, we anticipate key staff meeting with SCMTD to review the contents of the contract, with emphasis on reporting documentation. Our belief is that the vast majority of these reports are items we already track for current ADA Para transit services.

No additional start up costs is needed. Our operation is ready to run at the time of this proposal.

Service Eligibility and Service Area

Santa Cruz Transportation operates metered taxi vehicles throughout the incorporated cities of Santa Cruz, Capitola and Scotts Valley, as well as the unincorporated area of the County of Santa Cruz. To ensure timely response to calls, we position our vehicles throughout the region during all hours of our operations. Naturally, vehicles are sent to the pick up location of passenger request. Dispatchers attempt to balance these ride requests with each subsequent service call.

Contracted service utilizing non-metered vehicles are eligible for operation anywhere within our county and beyond.

When possible, passengers who are identified as monolingual Spanish speakers will be assigned to taxi drivers who speak Spanish as well as English. Unfortunately, it is not possible for our agency to hire 100% bilingual English-Spanish drivers, or drivers fluent in American Sign Language, etc. Currently, approximately 30% of SCT drivers speak functional Spanish. When communication difficulties arise that compromise the safety of the transport, drivers are trained to contact the dispatcher for further assistance. In scenarios where radio communication can't resolve the issue, Santa Cruz Transportation is prepared to send support staff to meet the vehicle to resolve any challenge. Owners, James Monroe and Alex Danganan are available to use Spanish Speaking abilities in those instances when bilingual drivers and dispatchers are unavailable.

Our training for new hires is outlined in detail elsewhere in this proposal, but transporting and communicating with mobility impaired passengers and limited-speaking passengers is an essential component of the training. Drivers operating dedicated ParaCruz vehicles receive additional training in this area. Ongoing training components insure drivers are "refreshed" on items of importance.

Data, Records and Reports

Besides submitting monthly billings as described in the RFP, copies of the manifest are submitted on a weekly basis at the SCMTD office.

SCT tracks daily records of trips performed by the end of the following business day at 5 p.m. This report includes scheduled pick up time; negotiated pick up time (should there be any negotiated changes), actual pickup time; estimated pick-up time (should it differ from scheduled or negotiated pick up time); appointment time (provided SCMTD has provided this information); actual drop-off time; total number of riders, companions, PCA's; no-shows, and cancellations. Under the operating parameters described, it is expected that cancellation calls will be received by SCMTD and forwarded to SCT. However, such cancellations shall be noted. Driver trip logs for dedicated vehicles shall be provided. Legal requirements prohibit SCT from providing driver trip logs for vehicles transporting non-SCMTD clients.

Any accident shall be reported immediately to Safety Supervisor, SCMTD. By the end of the business day on which they occur, SCT will provide to SCMTD staff the report of the accident. In the absence of SCMTD staff, accident reports shall be submitted within three hours of the next business day, unless an earlier time can be negotiated and agreed to by SCMTD.

Drivers and vehicle lists shall be updated monthly.

Total ParaCruz vehicle revenue hours, revenue miles, and peak number of vehicles used in service shall be reported monthly.

MANAGEMENT PROPOSAL

Experience

Yellow Cab Co. has been providing demand response services in Santa Cruz County since 1948. James Monroe and Alex Danganan purchased the company on May 13, 2004.

Santa Cruz Transportation (Yellow Cab) has been a leader in wheelchair accessible taxi service and public-private partnerships for some time. SCT was one of the first taxi companies in the nation to put a wheelchair accessible minivan into regular metered service, beginning in the 1980's. The original "Handy Cab" provided private trips and contracted service to Santa Cruz County's disabled community for many years, logging over 350,000 miles on the original vehicle. The Handy-Cab proved to the community and the nation that such vehicles are not only beneficial to its riders, but are also economically viable. The original Handy-Cab was the prototype for the minivans used across the industry.

James Monroe had been a long term contractor with the prior ownership. Mr. Monroe's sixteen years of experience with the company in a variety of capacities has made the ownership transition seamless. He is committed to improving the operation, having seen both the strengths and weaknesses of the operation from the perspective of someone on the inside of the operation.

Organization

Resumes of key personnel, along with an organization chart, are included as **Attachments #4 & #5**. **Attachment #6** is a full listing of SCT drivers.

It is impossible to list the percent of time each individual will spend exclusively on this contract, as RFP does not quantify the amount of service to be contracted. However, the proposal implies ADA ridership levels will be less than that of the current operations. No reduction of SCT staff is anticipated, despite the reduction of contracted rides. We are committed to fully supporting the ADA/SCMTD component of our operations adequately. Should ridership actually increase beyond current levels, we would expand the hours of our office staff to comply with the additional reporting requirements.

Proposer References

References from current customers are included as **Attachment #7** to this proposal.

Attachment # 1

Drug and Alcohol Testing Policy

SANTA CRUZ TRANSPORTATION, LLC

Computer Title: Drug Policy Doc.

Effective Date: September 7, 2006

Pages: 34

TITLE: DRUG & ALCHOHOL TESTING POLICY

I. POLICY

1.01 It is the policy of the Santa Cruz Transportation, LLC that its workplace is free from the effects of drug and alcohol abuse. This policy is enforced in order to insure that the safe and efficient operation and maintenance of its transportation system for its passengers, and to provide a safe work environment for its employees, or contractors. This policy is also to avoid the dangers arising from substance abuse in the work place. These dangers include death and injury to the employee, or contractor, co-workers, and the public resulting from accidents, dereliction of duty, poor judgment and carelessness. Substance abuse also results in lost productivity, reduced efficiency, and increased absenteeism by the substance abuser and interferences with the job performance of employees, or contractors who do not use illegal or unauthorized substances

1.02 No Company employee or contractor shall: (1) use, possess, or be under the influence of drugs or other mind-altering substances; or (2) use or possess a container of alcohol or be under the influence to any extent that would impede the employee, or contractor's ability to perform his or her duties safely and effectively. Furthermore, employees or contractors shall not perform duties, which because of drugs or medication taken under a legal prescription or non-prescription cannot be performed without posing a threat to the health or safety of the employee, contractor, or others.

1.03 Santa Cruz Transportation, LLC is committed to providing safe, reliable and efficient transportation services to the public and a safe, healthy and productive work environment for its employees or contractors. In order to meet these goals, the Policy of the Company is to:

A. Create a work environment free from the adverse effects of drug and alcohol misuse;

B. Encourage employees or contractors to seek professional assistance when

Drug and Alcohol Testing Policy

personal problems, including alcohol or drug dependency adversely affect their ability to perform their duties in a safe, productive and courteous manner.

C. Ensure that employees or contractors do not report to work or work with alcohol or drugs in their systems;

D. Prohibit the illegal use, possession, manufacture, sale or distribution of controlled substances by employees or contractors;

E. Ensure that the reputation of the Company and its employees or contractors is as responsible citizens worthy of public trust;

F. Provide guidelines and outline responsibilities for the testing of employees and employment candidates to determine drug abuse and alcohol misuse; and

G. Implement programs that are designed to help prevent accidents, injuries, and fatalities resulting from the misuse of alcohol and use of drugs by employees or contractors who perform safety sensitive functions.

1.04 Company safety-sensitive employees or contractors will be subject to urine drug testing and breath alcohol testing in accordance with applicable federal law.

1.05 This Policy complies with the Federal Transit Administration (FTA) Regulations (49 CFR Parts 40 and 655 with applicable amendments) that mandate urine drug testing and breath-alcohol testing for safety-sensitive employees or contractors and the U.S. Department of Transportation (DOT) standards for the collection and testing of urine and breath specimens. All drug and alcohol testing as required by this policy is mandated by the FTA Regulations.

1.06 As required by the FTA Regulations, Attachment 1 lists the drug or classes of drugs to be tested for and describes the testing procedures for drugs and alcohol; Attachment 2 provides information about the effects of alcohol misuse and the signs and symptoms of an alcohol program; Attachment 3 provides information about the effects of drug abuse and the signs and symptoms of drug problems for each of the drugs to be tested; Attachment 4 lists job classifications considered to be safety sensitive.

II. APPLICABILITY

2.01 This Policy applies to all full-time and part-time safety-sensitive employees or contractors.

2.02 Participation in the testing program as described in this policy is a condition of Company employment for all safety-sensitive employees or contractors, but no employee-authorization is required.

Drug and Alcohol Testing Policy

- 2.03 An employee violating this policy is subject to disciplinary action up to and including discharge. After a Positive Test there are specific disciplinary actions. Any disciplinary action taken as a result of a violation of this policy is pursuant to the Company's own authority.
- 2.04 Compliance with this policy does not relieve an employee or contractor of compliance with applicable Federal laws and regulations.

III. CONTRACTOR APPLICABILITY

- 3.01 Company contractors and subcontractors, as required, shall comply with 49 Code of Federal Regulations Parts 40 and 655 to the extent required by Federal Law.
- 3.02 The Company shall insure that all applicable contractors and employees who are required to comply with the FTA drug and alcohol testing requirements are in actual compliance.

IV. RESPONSIBILITIES OF DESIGNATED EMPLOYER REPRESENTATIVE AND OTHERS

- 4.01 The Designated Employer Representative (DER) shall ensure that the administration of all drug and/or alcohol tests comply with applicable laws. The DER shall be knowledgeable about the DOT and FTA regulations, and Company policies and procedures for drug and alcohol testing. The DER shall be immediately accessible to collection site personnel, Breath Alcohol Technicians (BAT), and Medical Review Officers (MRO) and be prepared to address drug and alcohol testing issues, make decisions and provide direction in a timely manner. An employee or contractor seeking additional information about the program can contact the Owner, Santa Cruz Transportation, LLC, 2964 Soquel Avenue, Suite C, Santa Cruz, CA, 95063 (831-423-1234).
- 4.02 The DER shall post and distribute the Company's Drug & Alcohol Testing Policy to each safety-sensitive employee or contractor.
- 4.03 The DER shall maintain all records and reports pertaining to the drug and alcohol testing program in a confidential manner.
- 4.04 Each safety sensitive employee or contractor shall receive a copy of this Policy and is responsible for reading, understanding, and adhering to this Policy.
- 4.05 Supervisor/owner will be held accountable for the consistent application and enforcement of this Policy. Any supervisor/owner who knowingly disregards the requirements of this Policy, or who is found to have deliberately misused the Policy in regard to subordinates shall be subject to disciplinary action, up to and including discharge.

Drug and Alcohol Testing Policy

- 4.06 Any employee or contractor who has actual knowledge that an employee or contractor has used alcohol within four hours of performing a safety-sensitive function or is under the influence of drugs while performing a safety-sensitive function shall report knowledge immediately to his/her supervisor.
- 4.07 A supervisor/owner having actual knowledge that an employee or contractor is using alcohol while performing a safety-sensitive function shall not permit the employee or contractor to perform or continue to perform the safety-sensitive functions.
- 4.08 After obtaining an applicant, employee or contractor's written consent who is seeking employment or a transfer to a safety-sensitive position, the DER shall request the following information from DOT-regulated employers who have employed the applicant/employee during any period during the two years before the date of the applicant/employee's application or transfer request:
- A. Alcohol tests with a result of 0.04 or higher alcohol concentration;
 - B. Verified positive drug tests;
 - C. Refusals to be tested, including verified or substituted drug testing results;
 - D. Other violations of DOT agency drug and alcohol testing regulations;
 - E. With respect to any employee or contractor who violated a DOT drug and alcohol regulation, documentation of the employee or contractor's successful completion of DOT return-to-duty requirements, including follow-up tests. If no documentation is forthcoming, the DER shall seek to obtain the information from the applicant/employee.
- 4.09 If the applicant/employee refuses to provide written consent pursuant to Section 4.08 above, the applicant/employee shall not be permitted to perform safety-sensitive functions.

V. EDUCATION/TRAINING

- 5.01 The Company shall be responsible to establish and maintain an education and training program in order to promote the deterrence of the misuse of drugs and alcohol. The education component shall include display and distribution to every safety-sensitive employee or contractor informational material. The DER shall maintain a copy of 49 CFR Part 40 in his/her office, which shall be made available to employees or contractors upon request.
- 5.02 Safety-sensitive employees or contractors shall be provided at least 60 minutes of training which must cover the effects and consequences of prohibited drug use

Drug and Alcohol Testing Policy

on personal health, safety and the work environment and include information on the signs and symptoms that indicate prohibited drug use.

- 5.03 Company officials who are authorized to make reasonable suspicion determinations shall undergo at least one hour of training on the physical, behavioral, and performance indicators of probable drug use and at least one hour of training on the physical, behavior, speech, and performance indicators of performance indicators of probable alcohol misuse.

VI. REHABILITATION

- 6.01 Drug users and alcohol abusers are encouraged to make every effort to overcome the abuse and addiction that comes from use. Successful rehabilitation hinges upon users rehabilitating themselves with the assistance of outside professionals. Employees or Contractors of the Company who have a problem with drug or alcohol use are strongly encouraged to seek help voluntarily. In addition, all employees or contractors are encouraged to make use of other available resources for treatment for alcohol and substance abuse problems.

VII. TESTING

- 7.01 Employees or contractors shall submit a urine test for the detection of drugs under the following circumstances:
- A. Pre-employment/Transfer to a safety-sensitive position for the first time
 - B. Post accident;
 - C. Reasonable suspicion;
 - D. Randoms
- 7.02 An employee or contractor shall be tested for the following drugs:
- A. Marijuana;
 - B. Cocaine;
 - C. Opiates;
 - D. Amphetamines; and
 - E. Phencyclidine.
- 7.03 Employee or contractors are prohibited from consuming the drugs identified in

Drug and Alcohol Testing Policy

Section 7.02 at all times.

7.04 Employee or contractors shall submit a breath test for the detection of alcohol in the following circumstances;

A. Random

B. Post accident;

C. Reasonable suspicion;

7.05 An employee or contractor is prohibited from using alcohol while performing safety-sensitive functions or at all times if the result is that his/her breath registers a 0.02 or greater when performing safety-sensitive functions.
(Prohibition from using alcohol which results in a concentration level of 0.02 – 0.039 as registers by a breath test is pursuant to Transportation LLC's own authority.)

VIII. TYPES OF TESTING

8.01 Pre-employment testing;

A. Applicants for Company employment in as employees or contractors in safety-sensitive positions shall undergo urine drug testing with a verified negative result prior to employment to employment or contracted work being performed.

B. The Company shall inform an applicant and/or employee or contractor seeking a safety sensitive position, prior to testing that drug tests including those for the detection of marijuana, cocaine, amphetamines, opiates, and phencyclidine will be administered. A positive test result shall be the basis for the decision to refuse to allow employment or contracted work.

C. Failure of a drug test will disqualify an applicant for work in a safety-sensitive position. **The applicant will be provided with the names and contact information of Substance Abuse Professionals in the Santa Cruz area.**

D. Employees, contractors, or applicants who have previously failed or refused a pre-employment drug test administered under this part, must provide proof of having successfully completed a referral, evaluation and treatment plan with a Substance Abuse Professional (SAP) **before being considered for employment in a Safety Sensitive Position.**

Drug and Alcohol Testing Policy

8.02 Reasonable Suspicion Testing:

A. An employee or contractor shall be subject to drug/alcohol tests when there is a reason to suspect that such employee or contractor has used a prohibited drug or has misused alcohol. A reasonable suspicion referral for testing will be made on the basis of specific, contemporaneous, articulated observations concerning the appearance, behavior, speech or body odor of the employee or contractor, by a supervisor trained in detecting signs and symptoms of drug use or alcohol misuse.

B. Alcohol testing is authorized under this section only if the observations required are made during, just preceding or just after the period of the workday that the employee or contractor is required to be in compliance. An employee or contractor shall be tested for drug misuse anytime while on duty.

C. If an alcohol test required by this section is not administered within two hours following the determination to test, the supervisor who made the observations shall prepare a report stating the reasons the alcohol test was not promptly administered. If the alcohol test is not given within eight (8) hours, following the determination to test, efforts to administer the test shall cease and the supervisor/owner shall prepare a report stating the reasons for not administering the test. All reports required by this section shall be forwarded promptly to the Designated Employer Representative.

D. Under no circumstances shall an employee or contractor suspected of drug and/or alcohol intoxication be permitted to drive a Company vehicle. Company personnel shall transport such employee or contractor to the collection test site and offer to transport him/her to his/her residence or other appropriate destination after the test.

E. The supervisor/owner who determined that there was reasonable suspicion to require a drug and/or alcohol test shall complete a report on a form provided by the Company setting forth the behavioral signs and symptoms observed in the Company suspected of being under the influence of drugs and/or alcohol. A copy of the report shall be marked confidential and forwarded to the DER within twenty-four (24) hours of the determination.

8.03 Post Accident Testing

A. As soon as practical following an accident involving the loss of human life, the Company shall test for drugs and alcohol each surviving employee or contractor operating the vehicle at the time of the accident. Any other employee

Drug and Alcohol Testing Policy

or contractor whose performance could have contributed to the accident as determined by a supervisor using the best information available at the time of the decision shall also be tested for drugs and alcohol.

B. As soon as practical following an accident (see "accident" definition) not involving the loss of human life, in which a company vehicle is involved, each employee operating the vehicle at the time of the accident shall be tested for drugs and alcohol unless a supervisor/owner determines using the best information available at the time of the decision that the employee's performance can be completely discounted as a contributing factor to the accident.

C. Other employees or contractors whose performance could have contributed to the accident, as determined by a supervisor/owner using the best information available at the time of the decision shall also be tested for drugs and alcohol.

D. Following the accident, the employee or contractor(s) shall be tested as soon as possible but not later than eight (8) hours for alcohol testing and 32 hours for drug testing. An employee or contractor involved in an accident must refrain from alcohol use for eight (8) hours following the accident or until he/she undergoes a post-accident alcohol test, whichever comes first. Following an accident an employee or contractor must remain readily available for testing. If an employee or contractor does not remain readily available he/she shall be considered to have refused the tests and will be subject to employment discharge.

E. An employee or contractor who leaves the scene of the accident without appropriate authorization prior to submission to drug and alcohol testing will be considered to have refused the tests and will be subject to employment discharge.

F. Following an accident, field supervisory personnel at the scene shall do an immediate assessment of the condition of the employee or contractor to detect possible signs of the presence of drugs or alcohol.

G. In compliance with FTA requirement alcohol testing shall be administered as soon as practical after an accident. If the alcohol test is not administered within two (2) hours of the accident, the responsible supervisor/owner shall prepare a written report stating the reason why the test was not promptly administered. A copy of such report shall be forwarded to the DER and shall be available for inspection by the appropriate agencies. All attempts to administer an alcohol test shall cease after eight (8) hours and all attempts to administer a drug test shall cease after 32 hours following the accident and shall be documented in the same manner with a written report to the DER.

H. Following an accident based test, an employee or contractor shall not be

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allowed to perform safety-sensitive functions until the results of the test are known to the Company and the employee or contractor.

I. Nothing in this section shall be construed to require the delay of necessary medical attention for the injured following an accident or to prohibit a safety-sensitive employee or contractor from leaving the scene of an accident for the period necessary to obtain assistance in responding to the accident or to obtain necessary emergency medical care.

J. The results of the blood, urine, or breath test for the use of the prohibited drugs or alcohol misuse, conducted by the Federal, State, or local officials having independent authority for the test shall be considered to meet the requirements of this section provided such test confirms to the applicable Federal, State, or local testing requirements and that the test results are obtained by the Company. Such test results shall be used only when the Company is unable to perform a post-accident test within the required period noted above.

8.04 Random Testing:

A. A safety-sensitive employee or contractor will be subject to random, unannounced testing for drugs and alcohol using a computer based random number selection method. Each employee or contractor in the random pool will have an equal chance of being selected for testing and shall remain in the pool even after being tested. Random testing will be administered at random times during the day (or shift) to avoid predictability. Each employee or contractor shall be assigned a unique number, which shall be entered into a pool from which the selection should be made. The dates for administering unannounced testing of randomly selected employees shall be spread reasonably throughout the calendar year.

B. Once an employee or contractor is notified of his/her selection for a random test, he/she must proceed immediately and arrive within 15 minutes at the collection test site.

C. A safety-sensitive employee or contractor shall be randomly tested for alcohol misuse while the employee or contractor is performing safety-sensitive functions; before or just after the employee or contractor has ceased performing such function. **An employee or contractor shall be randomly tested for drug misuse anytime while on duty.**

D. An employee or contractor who is not on duty because of sickness, vacation, jury duty, leave of absence, worker's compensation, family medical leave or any other purpose shall be removed from the random pool for purposes of random testing if the DER determines using the best information available at the time that such employee will be absent for at least 90 days.

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8.05 Employee or Contractor Retest:

A. After notification by the Medical Review Officer or the DER of a confirmed verified positive drug test, an employee or contractor may, within 72 hours, request that an additional test be conducted at a different DHHS-certified laboratory specified by the Company. The request can only be made by the employee or contractor himself or herself but may be made orally. The test shall be conducted on the split sample that was provided at the same time as the original or primary sample.

B. All costs for the contractor requested testing, including the transportation of the split specimen to the second laboratory shall be paid by the contractor. All costs of the employee requested testing, will be paid for the Company.

IX. MEDICAL REVIEW OFFICER (MRO)

- 9.01 All positive drug testing laboratory results will be reviewed by the Company's MRO. The MRO shall verify and validate or invalidate test results.
- 9.02 The MRO shall conduct an administrative review of the control and custody form to ensure its accuracy.
- 9.03 The MRO shall review and interpret an employee or contractor confirmed positive test by 1) reviewing the individual's medical history including any medical records and biomedical information provided, 2) affording the individual an opportunity to discuss the test result, and 3) deciding whether there is a legitimate medical explanation for the result, including legally prescribed medication.
- 9.04 The MRO shall attempt to notify each employee or contractor who has a verified positive test that the employee or contractor has 72 hours in which to request an analysis of the split specimen within 72 hours of having been informed of a verified positive test, the MRO shall direct, in writing, the laboratory to ship the specimen to another DHHS-certified laboratory for analysis. If the retest is determined to be negative then the first test shall be considered to have a negative result.
- 9.05 If the employee or contractor has not contacted the MRO within 72 hours of being notified of a verified positive drug test, the employee or contractor may present to the MRO information documenting that serious illness, injury, inability to contact MRO, lack of actual notice of the verified positive test or other circumstances unavoidably prevented the employee or contractor from contacting the MRO in time.
- 9.06 If the MRO concludes that there is a legitimate explanation for the employee or

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contractor's failure to contact the MRO within 72 hours, the MRO shall direct that the analysis of the split specimen be performed.

- 9.07 If the MRO concludes that there is no legitimate explanation for the employee or contractor's failure to contact the MRO within 72 hours, the MRO is not required to direct the analysis of the split specimen to be performed.
- 9.08 The MRO shall report each verified test result to the DER. Reporting of a verified positive result will not be delayed pending the split specimen analysis.
- 9.09 If the MRO determines that a positive drug test was dilute, the MRO and the Company shall treat the test as a verified positive test. The employee or contractor will not be permitted to take another test based on the fact that the specimen was dilute.
- 9.10 If the MRO determines that a negative drug test was dilute, the employee or contractor will be directed to take another test immediately pursuant to the Company's own authority. The collection of the specimen shall not be collected under direct observation unless there is another basis for such direct collection. The results of the second test, not that of the original test, will become the test record on which the Company will rely for purposes of this policy. If the second test is also negative and dilute, the employee or contractor will not be required to take a third test. If an employee is directed to take another test and the employee or contractor declines to do so, the employee or contractor has refused the test for purpose of this policy and action will be taken in accordance with this policy.

X. EMPLOYEE OR CONTRACTOR RESPONSIBILITIES

- 10.01 As a condition of this job, an employee or contractor must:
- A. Submit immediately to alcohol and/or drug tests at a Company authorized collection site when ordered by a Company Supervisor or law enforcement personnel.
 - B. Refrain from alcohol consumption within four (4) hours of reporting for duty or during the hours that he/she is subject to duty, and while on-call.
 - C. Refrain from reporting for duty or remaining on duty while having an alcohol concentration level of 0.04 or greater.
 - D. Refrain from alcohol use for eight (8) hours following an accident or until he/she undergoes a post accident alcohol test, whichever comes first.
 - E. Refrain from the use of prohibited drugs.
 - F. Upon arrival at the Company collection test site, he/she shall follow all

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instructions given by collection site personnel and Company supervisory personnel in providing specimen for drug and/or alcohol detection tests.

G. Complete a drug and /or alcohol detection test, as applicable, in accordance with federal laws and regulations.

H. Comply with the interview examination and/or evaluation as directed by the MRO.

I. Comply with Company requirements for treatment, after care, return to duty testing and follow-up testing.

10 02 A. An employee or contractor shall be considered to have refused a drug and/or alcohol test for:

1. Refusal to comply with a request for testing.
2. Refusal to complete and/or sign the required **drug and/or** alcohol testing form.
3. Falsification of test results through tampering, contamination, adulteration, or substitution.
4. Inability to provide a urine specimen or breath sample or sufficient volume as applicable, for required test without a valid medical explanation;
5. Verbal declaration of refusal to submit to testing;
6. Obstruction behavior to disrupt, or stop a test;
7. Physical absence resulting in the inability of the Company to conduct a test;
8. Failure to undergo a medical examination to verify insufficient volume of urine or breath when requested;
9. Failure to cooperate with any part of the testing process;
10. Failure to permit the observation or monitoring of specimen donation/collection when so required;
11. Failure to submit a second test when required;
12. Failure to comply with test instructions at the test site;
13. Failure to report to the designated test site within the allotted time after

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notification of testing;(not considered a refusal for pre-employment testing)

14. Failure to remain at the testing site until the testing process is completed;
15. A drug test result that is verified by the MRO as adulterated or substituted;
16. Failure to sign the certification on Step 2 of the ATF form (alcohol test)

B. An employee or contractor who refuses to submit to a drug and/or **alcohol** test as described above shall be removed from duty and immediately, referred to the SAP, and under the Company's own authority, the employee or contractor shall be discharged from his/her employment or contract with the Company.

C. An employee, contractor or applicant shall be denied appointment to a safety sensitive position under the Company's own authority.

10.03 Any applicant, employee or contractor who is being tested for a pre-employment test will not be considered to have refused the test if he/she engages in any of the behaviors set forth in Section 10.2 unless the applicant/employee has actually begun the collection process.

10.04 For an on-call employee or contractor the following procedure is established should he/she consume alcohol within 4 hours of performing a safety-sensitive function: 1) When notified that he/she must report for duty he/she must advise the Company if he/she has used alcohol, and 2) Indicate whether he/she is able to perform his/her safety-sensitive function.

A. If the employee or contractor believes he/she is not capable of performing safety sensitive functions, the employee or contractor shall be excused from doing so.

B. If the employee believes he/she is capable of performing a safety-sensitive function, the employee or contractor shall be tested for alcohol and the employee or contractor shall be permitted to perform a safety-sensitive function if his/her alcohol concentration level measures less than 0.04. If the employee or contractor alcohol concentration level measures at 0.04 or greater he/she shall not be permitted to work. The standards for disciplinary action set forth in Article XI shall be applicable.

XI. ACTIONS AFTER A POSITIVE TEST

11.01 An employee or contractor who has a verified positive drug test, or has a confirmed test of 0.04 or greater or who refused to submit to a required drug or alcohol test shall be immediately removed from duty, and provided a listing of SAPs (names, addresses, and telephone numbers). The Company shall make a good faith effort to provide the employee or contractor with at least three (3)

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names of SAPs. In the performance of its duties and responsibilities, the SAP shall follow the requirements of federal law and regulations. The employee or contractor shall also be informed by the DER of educational and rehabilitation programs available to the employee or contractor in evaluating and resolving problems associated with prohibited drug and alcohol use

- 11.02 When an employee or contractor has verified positive, adulterated or substituted a test result or has otherwise violated a DOT agency drug & alcohol regulation, the employee or contractor will be terminated.
- A. When a test shows the presence of alcohol, at a concentration level of 0.02 or greater, or drugs, the following disciplinary standards shall apply:
1. Illegal Drugs- The safety-sensitive employee or contractor will be discharged following a positive test result.
 2. Alcohol- The safety-sensitive employee or contractor will be referred to an SAP and discharged following a positive test result of **0.02 or higher. (Discharge for and referral to a SAP for an alcohol concentration level of 0.02 – 0.039 is pursuant to Transportation LLC's own authority.)**
- 11.03 Nothing contained herein shall prevent the Company from imposing a more severe disciplinary action should the specific facts and circumstances of the situation warrant such action.
- 11.04 Voluntary enrollment in the SAP rehabilitation program does not excuse or exempt the employee or contractor from discipline if he/she has alcohol or illegal drugs in his/her system while on duty.
- 11.05 Violations of this Policy shall be grounds for disciplinary action, up to and including discharge. Refusal to submit immediately to drug and alcohol test at the Company authorized collection site when ordered by a company manager/owner, supervisor or law enforcement personnel shall subject employees or contractors to discharge proceedings for insubordination and gross misconduct. Such refusal shall be considered an admission of guilt.
- 11.06 When an employee or contractor has a verified positive test result, or has a confirmed alcohol test of 0.04 or greater, or refuses to submit to a drug or alcohol test required, the DER shall advise the employee or contractor of the resources available for evaluating and resolving problems associated with prohibited drug use and alcohol misuse, including the names, addresses and telephone number of SAPs and counseling and treatment programs.

XII. RELEASE OF TESTING RESULTS

- 12.01 The Company is not authorized by federal law to release any testing records to law enforcement.
- 12.02 The Company is allowed to release testing records in criminal or civil action resulting from an employee or contractor's performance of safety-sensitive duties in which a court of competent jurisdiction determines that the drug or alcohol test information sought is relevant to the case and issues an order directing the Company to produce the information.
- 12.03 The Company will provide drug/alcohol- testing information of an employee, contractor, former employee or former contractor to other agencies/companies, or an identified person when authorized in writing by such employee or contractor(s).
- 12.04 The Company will release information pertaining to an employee's drug or alcohol test including the results, without the employee or contractor's consent in certain legal proceedings including a lawsuit, grievance (e.g. An arbitration concerning disciplinary action taken by the Company against the employee or contractor) or administrative proceeding brought by, or on behalf of, the employee or contractor and resulting from a positive DOT drug or alcohol test or a refusal to test (including, but not limited to, adulterated or substituted test results).
- 12.05 In addition to the foregoing, the Company will release drug or alcohol test information only as allowed by federal law or regulations.
- 12.06 The Company will comply with a request from DOT representatives as follows:
 - A. Access to the facilities used for drug/alcohol program functions;
 - B. Release of all written, printed and computer based drug/alcohol program record, reports, files, materials, data, documents, agreements, contracts, policies and statements that are required by federal laws and regulations relating to drug/alcohol testing.

XIV. RETENTION OF RECORDS

- 13.01 The DER shall maintain records of the anti-drug and alcohol misuse programs as required by federal laws and regulations. The records shall be maintained in a secure location with controlled access.

The Company shall keep the following records for the following periods of time:

| | |
|--|---------|
| Records of alcohol test results with alcohol concentration | 5 years |
|--|---------|

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| | |
|---|---------|
| of 0.02 or greater | |
| Records of verified positive drug test results | 5 years |
| Documentation of refusals to take required alcohol/drug tests(including substituted or adulterated drug test results) | 5 years |
| Referrals to the SAP, SAP reports, Copies of annual MIS reports submitted to FTA | 5 years |
| All follow-up tests and schedules for follow-up tests | 5 years |
| Information obtained from previous employers concerning drug and alcohol test results of employees | 3 years |
| Records related to the collection process and employee training. | 2 years |
| Records of negative drug test results and alcohol test results with a concentration of less than 0.04 | 1 year |

DEFINITIONS

- 14.01 Accident: Accident means an occurrence associated with the operation of a vehicle, including the operation of the lift or ramp, if as a result: 1) an individual dies; or 2) an individual suffers a bodily injury and immediately receives medical treatment away from the scene of the accident; or 3) one or more vehicles (including FTA funded vehicles) incurs disabling damage as the result of the occurrence and such vehicle or vehicles are transported away from the scene by a tow truck or other vehicle.
- 14.02 Alcohol Misuse: Occurs when an employee or contractor arrives at work site with alcohol in his/her system; consumes a beverage containing alcohol while on duty, subject to duty, within four hours of reporting to duty, or during coffee and/or lunch break; or is late to work or absent from work due to the consumption of alcohol.
- 14.03 Breath Alcohol Technician (BAT) - Alcohol breath tests must be performed by a BAT who is trained in proficiency in the operation of the EBT he/she is using and in the alcohol procedures specified in the regulations.
- 14.04 Collection Site- A place designated by the employer where individuals present themselves for the purpose of providing a specimen of their urine to be analyzed for the presence of drugs.
- 14.05 Contractor- A person or organization that provides a safety-sensitive service for the Company consistent with a specific understanding or arrangement. The understanding can be a written contract or informal arrangement that reflects an ongoing relationship between the parties.
- 14.06 Controlled Substances- Any drugs that are classified by the Drug Enforcement Administration (DEA) into five schedules or classes on the basis of their potential for abuse, accepted medical use and accepted safety for use under medical supervision. A drug in any of these schedules identifies that it is a

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controlled substance and determines the nature of supervisory control that must be exercised. Medications containing any controlled substances must be prescribed by a physician having a valid DEA license number.

- 14.07 DHHS- Department of Health and Human Services
- 14.08 Dilute specimen- A specimen with creatinine and specific gravity values that are lower than expected for human urine.
- 14.09 DOT- United States Department of Transportation.
- 14.10 Drug Abuse- Use of any illegal drugs or controlled substance without a valid prescription, misuse of legally prescribed drugs, or use of illegally obtained prescription drugs. This includes use of prescription drugs legally prescribed to another individual other than one's self.
- 14.11 Employee or Contractor- See Section 14.23 Safety Sensitive Employees or Contractor.
- 14.12 Evidential Breath Testing (EBT) Device- A device approved by the National Highway Traffic Safety Administration (NHTSA) for the evidential testing of breath and placed on the NHTSA's "Conforming Products List of Evidential Breath Measurement Devices" (CPL).
- 14.13 Follow Up Testing- Unannounced drug and alcohol testing given to employees or contractors who have returned to duty after evaluation by the SAP. This type of test may be done up to a total of five years from the date the employee or contractor returns to duty. A minimum of six tests during the first twelve months is required.
- 14.14 FTA- Federal Transit Administration, an agency of the U.S. Department of Transportation.
- 14.15 Illegal Use- Use of any illegal drug, misuse of legally prescribed drugs and use of illegally obtained prescription drugs.
- 14.16 Incident- A single event or occurrence, which triggers drug and alcohol tests, as defined in this policy.
- 14.17 Mass Transit Vehicle- Bus, van or automobile.
- 14.18 Medical Review Officer (MRO)- A Company authorized licensed physician (medical doctor or doctor of osteopathy) responsible for receiving laboratory drug test results, who has knowledge of substance abuse disorders and who has been trained to interpret and evaluate laboratory test results by reviewing a laboratory report of employees or contractors unique medical history to

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determine whether the result was caused by the use of prohibited drugs or by an employee or contractor's medical condition.

- 14.19 Metabolite- A modified form of a drug that has been chemically altered by the body's metabolic system.
- 14.20 On-Call- See "Subject to Duty." See Section 14.24.
- 14.21 Positive Alcohol Test- The presence of alcohol in the body at a concentration of 0.02 or greater as measured by an Evidential Breath Testing (EBT) Device. Refusal to take a breath test without a valid medical explanation also constitutes a positive alcohol test. **(Prohibition from using alcohol which results in a concentration level of 0.02 – 0.039 as registers by a breath test is pursuant to Transportation LLC's own authority.)**
- 14.22 Positive Drug Test- Any urine or blood that is chemically tested (screened and confirmed), shows the presence of controlled substances and is verified by the MRO. Refusal to take a drug test without a valid medical explanation also constitutes a positive drug test.
- 14.23 Safety-Sensitive Employee or Contractor- An employee or contractor whose job functions are, or whose job description includes the performance functions related to the safe operation of a transportation service. The following are categories of safety sensitive functions: a) revenue service vehicle; b) controlling dispatch or movement of a revenue service vehicle or equipment used in revenue service; and c) maintaining revenue service vehicles or equipment used in revenue service. Any supervisor who performs or whose job description includes the performance of any function listed above is considered a safety-sensitive employee or contractor.
- 14.24 Subject-to-Duty- The status of an employee or contractor who is scheduled to report for work at an assigned time and/or who has not been finally and completely released from the responsibility of performing further work that day. Subject-to-Duty also means any employee or contractor who is responsible for being available to perform work on an emergency basis when called to do so, i.e., in an on call status, if said employee or contractor is guaranteed extra compensation because of his/her status as being on call. An employee or contractor who is simply responsible for responding if available when said employee or contractor is not within either definition above is not considered to be subject-to-duty for the purpose of this policy.
- 14.25 Substance Abuse Professional (SAP)- A Company authorized licensed physician, or a licensed or certified psychologist, licensed family/marriage counselor, social worker, employee or contractor professional, or a certified addiction counselor with knowledge of and clinical experience in the diagnosis and treatment of drug and alcohol related disorders.

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- 14.26 Use- The presence of any controlled substance in the body or the consumption of any beverage or preparation, including any medication containing alcohol.
- 14.27 Vehicle- A bus, van or automobile. A mass transit vehicle is a vehicle used for mass transportation.
- 14.28 Vehicle Disabling Damage- Damage, which precludes departure of the vehicle from the scene of the accident in its usual manner in daylight after simple repairs. It includes damage to vehicles that could have been operated but would have been further damaged if so operated.

A. Inclusion: Damage to vehicles that could have been driven but would have been further damaged if so driven.

B. Exclusions:

1. Damage, which can be remedied temporarily at the scene of the accident without special tools or parts.
2. Tire displacement without damage even if no spare tire is available.
3. Headlamp or tail light damage
4. Damage to turn signals, horn, or windshield wipers, which make it inoperable.

ATTACHMENT 1

FACT SHEET

DRUG DETECTION PERIODS

Detection periods vary; rates of metabolism and excretion are different for each drug and use. Detection periods should be viewed as estimates. Cases can always be found to contradict these approximations.

| Drug | Detection Period |
|---|---------------------------|
| Amphetamines: Amphetamines Methamphetamine | 2-4 days 2-4 days |
| Cocaine: Benzoylecgonine | 12-72 hours |
| Cannabinoids (Marijuana) Casual Use Chronic Use | 2-7 days Up to 30 days |
| Ethanol (Alcohol) | 12-24 hours |
| Opiates: Codeine | 2-4 days |

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| | |
|---|---------------------------|
| Hydromorphone (Dilaudid) Morphine (for Heroin) | 2-4 days 2-4 days |
| Phencyclidine (PCP) Casual Use Chronic Use | 2-7 days Up to 30 days |

ATTACHMENT 2

ALCOHOL FACT SHEET

Alcohol is a socially acceptable drug that has been consumed throughout the world for centuries. It is considered a recreational beverage when consumed in moderation for enjoyment and relaxation during social gatherings. However, when consumed primarily for its physical and mood-altering effects, it is a substance of abuse. As a department, it slows down physical responses and progressively impairs mental functions.

SIGNS AND SYMPTOMS

- Dulled mental processes
- Lack of coordination
- Odor of alcohol on breath
- Possible constricted pupils
- Sleepy or stuporous condition
- Slow reaction rate
- Slurred speech

HEALTH EFFECTS

The chronic consumption of alcohol (average of three 12-oz. servings of beer per day, 1 ounce of whiskey, or six ounces of wine) over time may result in the following health hazards:

- Decreased sexual functioning
- Dependency (up to 10 percent of all people who drink alcohol become physically and/or mentally dependant on alcohol and can be termed "alcoholic")
- Fatal liver disease
- Increased cancers of the mouth, tongue, pharynx, esophagus, rectum, breast, and malignant melanoma
- Kidney disease
- Pancreatitis
- Spontaneous abortion and neonatal mortality
- Ulcers
- Birth defects (up to 54% of all birth defects are alcohol related)

SOCIAL ISSUES

- Two-thirds of all homicides are committed by people who drink prior to the crime.
- Two to three percent of all driving population is legally drunk at any one time. This rate is doubled at night and on weekends.

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- Two-thirds of all Americans will be involved in an alcohol related vehicle accident during their lifetimes.
- The rate of separation and divorce in families with alcohol dependency problems is 7 times the average.
- 40% of family court cases are alcohol problem related.
- Alcoholics are 15 times more likely to commit suicide than are other segments of the population.
- More than 60% of burns, 40% of falls, 69% of boating accidents and 76% of private aircraft accidents are alcohol related.

WORKPLACE ISSUES

- It takes one hour for the average person (150 pounds) to process one serving of an alcoholic beverage from the body.
- Impairment in coordination and judgment can be objectively measured with as little as two drinks in the body.
- A person who is legally intoxicated is 6 times more likely to have an accident than a sober person

ATTACHMENT 3

AMPHETAMINE FACT SHEET

Amphetamines are central nervous system stimulants that speed up the mind and body. The physical sense of being at a lower dose and the mental exhilaration at higher doses are the reasons for their abuse. Although widely prescribed at one time for weight reduction and mood elevation, the legal use of amphetamines is now limited to a very narrow range of medical conditions. Most amphetamines that are abused are illegally manufactured in foreign countries and smuggled into the U.S. or clandestine manufactured in crude laboratories.

DESCRIPTION

- Amphetamine is sold in counterfeit capsules or as white, flat, double-scored "mini-bennies." It is usually taken by mouth.
- Methamphetamine is often sold as a creamy white and granular powder or in lumps and is packaged in aluminum foil wraps or sealable plastic bags. Methamphetamine may be taken orally, injected, or snorted into the nose.
- Trade/street names include Biphphetamine, Delcobese, Desotyn, Detadrine, Chetrol, Ritalin, Speed, Meth, Crank, Crystal, Monster, Black Beauties, and Rits.

SIGNS AND SYMPTOMS OF USE

- Hyperexcitability, relentlessness
- Dilated pupils
- Increased heart rate and blood pressure
- Heart palpitations and irregular beats
- Profuse sweating
- Rapid respiration
- Confusion
- Panic
- Talkativeness
- Inability to concentrate
- Heightened aggressive behavior.

HEALTH EFFECTS

- Regular use produces strong psychological dependence and increasing tolerance to drug.
- High doses may cause toxic psychosis resembling schizophrenia.
- Intoxication may induce a heart attack or stroke due to spiking of blood pressure.
- Chronic use may cause heart and brain damage due to severe constriction of capillary blood vessels.

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- The euphoric stimulation increases impulsive and risk-taking behaviors, including bizarre and violent acts.
- Withdrawal from the drug may result in severe mental and physical depression.

WORKPLACE ISSUES

- Since amphetamines alleviate the sensation of fatigue, they may be abused to increase alertness because of unusual overtime demands or failure to get rest.
- Low-dose amphetamine use will cause a short-term improvement in mental and physical functioning. With greater use or increasing fatigue, the effect reverses and has an impairing effect. Hangover effect is characterized by physical fatigue and depression, which may make operation of equipment or vehicles dangerous.

ATTACHMENT 3 (Continued)

COCAINE FACT SHEET

Cocaine is used medically as a local anesthetic. It is abused as a powerful physical and mental stimulant. The entire central nervous system is energized. Muscles are tenser, the heart beats faster and stronger, and the body burns more energy. The brain experiences exhilaration caused by a large release of neurohormones associated with mood elevation.

DESCRIPTION

- The source of cocaine is the coca bush, grown almost exclusively in the mountainous regions of northern South America.
- Cocaine Hydrochloride- "snorting coke" is a white to creamy granular or lumpy powder that is chopped into a fine powder before use. It is snorted into the nose, rubbed on the gums, or injected in veins. The effect is felt within minutes and lasts 40 to 50 minutes per "line" (about 60-90 milligrams). Common paraphernalia include a single-edged razor blade and a small mirror or piece of smooth metal, a half straw or metal tube, and a small screw cap vial or folded paper packet containing the cocaine.
- Cocaine Base- a small crystalline rock about the size of a small pebble. It boils at a low temperature, is not soluble in water, and is up to 90 percent pure. It is heated in a glass pipe and the vapor is inhaled. The effect is felt within 7 seconds. Common paraphernalia includes a "crack pipe" (a small glass smoking device for vaporizing crack crystal) and a lighter, alcohol lamp, or small butane torch for heating.
- Trade/street names include Coke, Rock, Crack, Free Base, Flake, Snow and Blow.

SIGNS AND SYMPTOMS OF USE

- Financial Problems
- Frequent and extended absences from meeting or work assignment 0%.
- Increase physical activity and fatigue.
- Isolation and withdrawal from friends and normal activities
- Secretive behaviors, frequent non-business visitors, delivered packages, phone calls
- Unusual defensiveness, anxiety, agitation
- Wide mood swings
- Runny or irritated nose
- Difficulty in concentration
- Dilated pupils and visual impairment
- Restlessness
- Formication (sensation of bugs crawling on skin)
- High blood pressure, heart palpitations, and irregular rhythm

Drug and Alcohol Testing Policy

- Hallucinations
- Hyper excitability and overreaction to stimulus
- Insomnia
- Paranoia and hallucinations
- Profuse sweating and dry mouth
- Talkativeness

HEALTH EFFECTS

- Research suggests that regular cocaine use may upset the chemical balance of the brain. As a result, it may speed up the aging process by causing irreparable damage to critical nerve cells. The onset of nervous system illnesses such as Parkinson's disease could also occur.
- Cocaine use causes the heart to beat faster and harder and rapidly increases blood pressure. In addition, cocaine causes spasms of blood vessels causing strokes or heart attacks.
- Strong psychological dependency can occur with one "hit" of crack. Usually, mental dependency occurs within days (crack) or within several months (snorting coke). Cocaine causes the strongest mental dependency of any known drug.
- Treatment success rates are lower than for other chemical dependencies.
- Cocaine is extremely dangerous when taken with depressant drugs. Death due to overdose is rapid. The fatal effects of an overdose are not usually reversible by medical intervention. The number of cocaine overdose deaths has tripled in the last four years.
- Cocaine overdose was the second most common drug emergency in 1986- up from 11th place in 1980.

WORKPLACE ISSUES

- Extreme mood and energy swings create instability. Sudden noises can cause a violent reaction.
- Lapses in attention and ignoring warning signals greatly increase the potential for accidents.
- The high cost of cocaine frequently leads to workplace theft and/or dealing.
- A developing paranoia and withdrawal create unpredictable and sometimes violent behavior.
- Work performance is characterized by forgetfulness, absenteeism, tardiness, and missed assignments.

ATTACHMENT 3 (Continued)

CANNABINOIDS (MARIJUANA) FACT SHEET

Marijuana is one of the most misunderstood and underestimated drugs of abuse. People use marijuana for the mildly tranquilizing and mood- and perception-altering effects it produces

DESCRIPTION

- Usually sold in plastic sandwich bags, leaf marijuana will range in color from green to light tan. The leaves are usually dry and broken into small pieces. The seeds are oval and with one slightly pointed end. Less prevalent, hashish is a compressed; sometimes tar like substance ranging in color from pale to yellow black. It is usually sold in small chunks wrapped in aluminum foil. It may also be sold in an oily liquid.
- Marijuana has a distinctly pungent aroma resembling a combination of sweet alfalfa and incense.
- Cigarette papers, roach clip holders, and small pipes made of bone, brass, or glass are commonly found. Smoking "bongs" (large bore pipes for inhaling large volumes of smoke) can be easily made from soft drink cans and toilet paper rolls.
- Trade/street names include Marinol, THC, Pot, Joint, Reefer, Acapulco, Gold, Sinsemilla, Thai Sticks, Hash, and Hash Oil.

SIGNS AND SYMPTOMS OF USE

- Reddened eyes (often masked by eye drops)
- Slowed speech
- Distinctive odor on clothing
- Lackadaisical fatigue "I don't care" attitude
- Chronic fatigue and lack of motivation
- Irritating cough, chronic sore throat

HEALTH EFFECTS GENERAL

- When marijuana is smoked, it is irritating to the lungs. Chronic smoking causes emphysema-like conditions.
- One joint causes the heart to race and be overworked. People with undiagnosed heart conditions are at risk.
- Marijuana is commonly contaminated with the fungus *Aspergillus*, which can cause serious respiratory tract and sinus infections.
- Marijuana smoking lowers the body's immune system response, making users more susceptible to infection. The U.S. Government is actively researching a possible connection between marijuana smoking and the activation of AIDS in positive human immunodeficiency virus (HIV) carriers.

PREGNANCY PROBLEMS AND BIRTH DEFECTS

- The active chemical, tetrahydrocannabinol (THC), and 60 other related chemicals in marijuana concentrate in the ovaries and testes.
- Chronic smoking of marijuana in males causes a decrease in sex hormone, testosterone, and an increase in estrogen, the female sex hormone. The result is a decrease in sperm count, which can lead to temporary sterility. Occasionally, the onset of female sex characteristics including breast development occurs in heavy users.
- Chronic smoking of marijuana in females causes a decrease in fertility and an increase in testosterone.
- Pregnant women who are chronic marijuana smokers have a higher than normal incidence of stillborn births, early termination of pregnancy, and higher infant mortality rate during the first few days of life.
- In test animals, THC causes birth defects, including malformations of the brain, spinal chord, forelimbs, and liver and water on the brain and spine.
- Offspring of test animals who were exposed to marijuana have fewer chromosomes than normal, causes gross birth defects or death of the fetus. Pediatricians and surgeons are concluding that the use of marijuana by either or both parents, especially during pregnancy, leads to specific birth defects of the infant's feet and hands.
- One of the most common effects of prenatal cannabinoid exposure is underweight newborn babies.
- Fetal exposure may decrease visual functioning and causes of other ophthalmic problems.

MENTAL FUNCTION

Regular use can cause the following effects:

- Delayed decision making
- Diminished concentration
- Impaired short-term memory, interfering with learning
- Impaired signal detection (ability to follow a moving object with the eyes) and visual distance measurements
- Erratic cognitive function
- Distortions in time estimation
- Long-term negative effects on mental function known as "acute brain syndrome," which is characterized by disorders in memory, cognitive functions, sleep patterns, and physical condition.

ACUTE EFFECTS

- Aggressive urges
- Anxiety
- Confusion

Drug and Alcohol Testing Policy

- Fearfulness
- Hallucinations
- Heavy sedation
- Immobility
- Mental dependency
- Panic
- Paranoid reaction
- Unpleasant distortions in body image

WORKPLACE ISSUES

- The active chemical, THC, stores in the body fat and slowly releases over time. Marijuana smoking has long term effect on performance.
- A 500 to 800 percent increase in THC concentration in the past several years makes smoking three to five joints a week today equivalent to smoking 15-40 joints a week in 1978.
- Combining alcohol or other depressant drugs and marijuana can produce a multiplied effect, increasing the impairing effect on both the depressant and marijuana

ATTACHMENT 3 (Continued)

OPIATES (NARCOTICS) FACT SHEET

Opiates (also known as narcotics) are drugs that alleviate pain, depress body functions and reactions, and, when taken in large doses, cause a strong euphoric feeling.

DESCRIPTION

- Natural and natural derivatives- opium, morphine, codeine, and heroin
- Synthetics- merperidine (Demerol), exmorphone (Numorphan), and oxycodone (Percodan)
- May be taken in pill form, smoked, or injected, depending upon the type of narcotic used.
- Trade/street names include Smack, Horse, Emma, Big D, Dollies, Juice, Syrup, and China White

SIGNS AND SYMPTOMS OF USE

- Mood changes
- Impaired mental functioning and alertness
- Constricted pupils
- Depression and apathy
- Impaired coordination
- Physical fatigue and constipation
- Impaired respiration

HEALTH EFFECTS

- IV needle users have a high risk for contracting hepatitis and AIDS due to the sharing of needles.
- Narcotics increase pain tolerance. As a result, people could more severely injure themselves or fail to seek medical attention after an accident due to the lack of pain sensitivity.
- Narcotics' effects are multiplied when used in combination with other depressant drugs and alcohol, causing increasing risk for an overdose.

SOCIAL ISSUES

- There are over 500,000 heroin addicts in the U.S. in the U.S., most of whom are IV needle users.
- An even greater number of medicinal narcotic-dependant persons obtain their narcotics through prescriptions.
- Because of their tolerance, there is an ever-increasing need for more narcotics to produce the same effect.
- Strong mental and physical dependency occurs.

Drug and Alcohol Testing Policy

- The combination of tolerance and dependency creates an increasing financial burden for the user. Cost for heroin can reach hundreds of dollars a day.

WORKPLACE ISSUES

- Unwanted side effects such as nausea, dizziness, mental clouding, and drowsiness place the legitimate user and abuser at a high risk for an accident.
- Narcotics have a legitimate medical use in alleviating pain. Workplace use may cause impairment of physical and mental functions.

ATTACHMENT 3 (Continued)

PHENCYCLIDINE (PCP) FACT SHEET

Phencyclidine (PCP) was originally developed as an anesthetic, but the adverse side effects prevented its use except as a large animal tranquilizer. Phencyclidine acts as both a depressant and as a hallucinogen, and sometimes as a stimulant. It is abused primarily for its variety of mood altering effects. Low doses produce sedation and euphoric mood changes. The mood can change rapidly from sedation to excitation and agitation. Larger doses may produce a coma-like condition with muscle rigidity and a blank stare with eyelids half closed. Sudden noises or physical shocks may cause a "freak out" in which the person has abnormal strength, extremely violent behavior, and an inability to speak or comprehend communication.

DESCRIPTION

- PCP is sold as a creamy, granular powder and is often packaged in one inch square aluminum foil or folded paper "packets."
- It may be mixed with marijuana or tobacco and smoked. It is sometimes combined with procaine, a local anesthetic, and sold as imitation cocaine.
- Trade/street names include Angel Dust, Dust, and Hog.

SIGNS AND SYMPTOMS OF USE

- Impaired coordination
- Severe confusion and agitation
- Extreme mood shifts
- Muscle rigidity
- Nystagmus (jerky eye movements)
- Profuse sweating
- Rapid heartbeat
- Dizziness

HEALTH EFFECTS

- The potential for accidents and overdose emergencies is high due to the extreme mental effects combined with the anesthetic effect on the body
- PCP is potentiated by other depressant drugs, including alcohol, increasing the likelihood of an overdose reaction.
- Use can cause irreversible memory loss, personality changes, and thought disorders.
- There are four phases to PCP abuse. The first phase is acute toxicity. It can last up to three days and can include combativeness, catatonia, convulsions, and coma. Distortions of size and shape, and distance perception are common. The second phase which does not always follow the first is a toxic psychosis. Users may experience visual and auditory illusions; paranoia and agitation.

Drug and Alcohol Testing Policy

The third phase is a drug-induced schizophrenia that may last a month or longer. The fourth phase is PCP-induced depression. Suicidal tendencies and mental dysfunction can last for months.

WORKPLACE ISSUES

- PCP abuse is less common today than in recent years. It is also not generally used in a workplace setting due to the severe disorientation that occurs.

ATTACHMENT 4

LIST OF SAFETY SENSITIVE JOB CLASSIFICATION BY TITLE

Operations Manager
Para transit Dispatch/Scheduler
Para transit Operator

NOTE: List subject to change as classification are amended or added

SANTA CRUZ TRANSPORTATION, LLC

Drug & Alcohol Testing Policy Training

DOT

| No. | Name | Signature | Date |
|-------------------|------------------------------|--------------------------------|--------------------------|
| Drivers | | | |
| 1 | Robert Rogers | <i>Robert Rogers</i> | 1-30-07 6:30 PM |
| 2 | Enrique Ruiz | <i>Enrique Ruiz</i> | 1/30/07 18:30 PM |
| 3 | John Toews | <i>John Toews</i> | 1/30/07 6:30 PM |
| 4 | David Adams | <i>David Adams</i> | 1-26-07 3:00 PM |
| 5 | Lucjan Szewczyk | <i>Lucjan Szewczyk</i> | 2-2-07 8:00 PM |
| 6 | Edward Allen | <i>Edward Allen</i> | 1-31 6:00 PM |
| 7 | Ribelino Toledo | <i>Ribelino Toledo</i> | 02-02/07 8:30 PM |
| 8 | Kevin Charters | <i>Kevin Charters</i> | 1/27/07 2:00 PM |
| 9 | James Ridner | <i>James Ridner</i> | 2 Feb 07 6:30 PM |
| 10 | Tony Bejarano | <i>Tony Bejarano</i> | 1/31/07 11 AM |
| 11 | Bill Callaghan | <i>Bill Callaghan</i> VACATION | 2/26/07 8:30 AM |
| 12 | David Doane | <i>David Doane</i> | 02-05/07 10:00 AM |
| 13 | Ronald Gragasin | <i>Ronald Gragasin</i> | 02/07/07 6:30 AM |
| 14 | Sharon Barbour | <i>Sharon Barbour</i> | 1-29-07 3:46 PM |
| 15 | Valerie Knight | <i>Valerie Knight</i> | 6: PM 1-25-07 |
| 16 | Alex Danganan | <i>Alex Danganan</i> | 6 pm 1-25-07 |
| 17 | James Monroe | <i>James Monroe</i> 1541 hr | 2-5-2007 |
| Dispatcher | | | |
| 18 | Hazael Estalilla | <i>Hazael Estalilla</i> | |
| 19 | Mercedita Alejandro | <i>Mercedita Alejandro</i> | 11:40 1-25-07 |
| 20 | Amber Bongio | <i>Amber Bongio</i> 11:30 | 11:40 1-25-07 |
| 21 | Geraldine Go | <i>Geraldine Go</i> | 11:40 - 6/25/07 |
| 22 | Adriana Moran | <i>Adriana Moran</i> | 11:40 125 07 |
| 23 | Claudia Velasquez | <i>Claudia Velasquez</i> | 11:40 - 1/25/07 |
| 24 | Jennifer Sotto | <i>Jennifer Sotto</i> | 3:00 2/9/07 |
| 25 | Chelsie Bergin | <i>Chelsie Bergin</i> | 11:40 - 1-25-07 |
| 26 | Kate Hennager | <i>Kate Hennager</i> | 11:42 - 2/24/07 |
| 27 | Alonzo Dodge (Driver) (exam) | <i>Alonzo Dodge</i> | 2:50 2/1/07 |

- (quit) 28. Donald Sowden *Donald Sowden* 4:00 3/7/07
29. Ramil Sta. Clara (exam - not qualified by insurance)
30. Benjamin Carlos *Benjamin Carlos* 2/16/07

SANTA CRUZ TRANSPORTATION, LLC
Drug & Alcohol Testing Policy Training
Non-DOT

| No. | Name | Signature | Date |
|----------------|-----------------------------|---------------------------|-------------------|
| Drivers | | | |
| 1 | Thomas Ortler | <i>[Signature]</i> | 11-30 2-1-07 |
| 2 | Irwin Pinkus | <i>[Signature]</i> | 7-30 2/13/07 |
| 3 | Mercedes Arellano | <i>[Signature]</i> | 5:07 / 1/30/07 |
| 4 | Michael Haninger | <i>[Signature]</i> | |
| 5 | Dan Holt | <i>[Signature]</i> | 5:30 pm 2-13-07 |
| 6 | Ross Bork (term) | <i>[Signature]</i> | 6:30 2/12/07 |
| 7 | Alan Mark | <i>[Signature]</i> | 10AM 2/1/07 |
| 8 | Siyad Mohammoud | John Harvey quit 06/26/07 | |
| 9 | Michael Reeves | <i>[Signature]</i> | 2/6/07 9PM |
| 10 | Mohamed Saleh | <i>[Signature]</i> | 02/15/2007 21:24 |
| 11 | Bob Tumbleson | <i>[Signature]</i> | 3-25-07 10:05 |
| * 12 | Blake Hayden-Bellairs | <i>[Signature]</i> | 6:00pm 1-25-07 |
| * 13 | Jonathan Adams | <i>[Signature]</i> | 6:00pm 2/10/07 |
| 14 | Srgio Toledo | <i>[Signature]</i> | 9:00pm 2/16/07 |
| 15 | Alil Abdi Ahmed (term) | <i>[Signature]</i> | 01/26/07 3:44 |
| 16 | Dirk Reed | <i>[Signature]</i> | 02/01/07 12:00pm |
| 17 | Hale Aquarian | <i>[Signature]</i> | 1/30/07 6:30 p.m. |
| 18 | Pablo Galan | <i>[Signature]</i> | on leave |
| 19 | Steve Sharek | <i>[Signature]</i> | 2-15-07 5:30 pm |
| (DET) 20 | Benjamin Carlos Carlos | <i>[Signature]</i> | 02-16-07 12:00PM |
| 21 | Sally Card | <i>[Signature]</i> | 3-1-07 5 pm |
| 22 | Charles Thomas Turigliatto | <i>[Signature]</i> | 3-1-07 1 AM |
| 23 | Mukhtar Cusman Adnan (term) | <i>[Signature]</i> | 03 01 02 03 04 |

* DOT as of 03/27/07

- ① Blake Bellairs
 - ② Jonathan Adams
- } negative test result - ok

Attachment # 2

Vehicle Fleet

Santa Cruz Transportation, LLC
Vehicle Roster as of March 2007

| Veh # | Year | Make | Model | License # | VIN Number |
|--------------|-------------|-------------|---------------|------------------|-------------------|
| 101 | 2000 | Ford | Windstar | 7G58414 | 2FMZA5243YBA11436 |
| 102 | 2000 | Ford | Windstar | 7G58415 | 2FMZA5247YBA31852 |
| 103 | 1997 | Dodge | Caravan | 5P50706 | 1B4GP44R8VB478704 |
| 104 | 2000 | Chevy | Venture | 6G32467 | 1GNDX03EXYD311211 |
| 105 | 2002 | Chevy | Venture | 7W93483 | 1GNDX03E32D194904 |
| 109 | 2000 | Ford | Crown Vic | 6Y15416 | 2FAFP71W6YX104755 |
| 110 | 1997 | Ford | Crown Vic | 7S93432 | 2FALP74W2VX163943 |
| 112 | 1993 | Mercury | Grand Marquis | 6A20191 | 2MELM74W8PX634840 |
| 114 | 2000 | Ford | Crown Vic | 7X87435 | 2FAFP71W3YX141407 |
| 115 | 1996 | Ford | Crown Vic | 6D95617 | 2FALP73W4TX172772 |
| 117 | 2000 | Mercury | Grand Marquis | 7H11844 | 2MEFM75W4YX743759 |
| 118 | 1998 | Ford | Windstar | 8D19261 | 2FAFP71W8WX150116 |
| 119 | 1996 | Mercury | Grand Marquis | 6V90049 | 2MELM74W8TX655360 |
| 120 | 1997 | Ford | Crown Vic | 6Z14187 | 2FALP71W7VX201252 |
| 122 | 1993 | Ford | Crown Vic | 6M46320 | 2FACP71W6PX196595 |
| 123 | 1996 | Ford | Crown Vic | 6U05309 | 2FALP71W2TX172028 |
| 124 | 1995 | Ford | Crown Vic | 6K51670 | 2FALP74W7SX192978 |
| 125 | 1998 | Ford | Crown Vic | 7D50296 | 2FAFP71W3WX138567 |
| 126 | 1992 | Ford | Crown Vic | 6V90008 | 2FACP72W9NX236633 |
| 127 | 1997 | Ford | Crown Vic | 7E05181 | 2FALP71W5VX201234 |
| 129 | 1999 | Ford | Crown Vic | 7X87434 | 2FAFP71W5XX163066 |
| 130 | 2003 | Ford | Crown Vic | 8F89461 | 2FAHP71W83X172931 |
| 133 | 2000 | Ford | Crown Vic | 7B25476 | 2FAFP71W4YX172097 |
| 134 | 1993 | Ford | Crown Vic | J3566073 | 2FALP71W2PX198697 |
| 307 | 1986 | Dodge | Van | 6S17432 | 2B5WB3114GK556858 |
| 308 | 1993 | Ford | Van | 4R71306 | 1FTJS34G6PHA77958 |

Attachment # 3

Vehicle Maintenance Inspection Forms

CAB CHECK LIST Name: _____ Date: _____ Cab# _____

PRETRIP CHECK

Exterior

- Lights
- Body Damage/ Scratches
- Tire Pressure

Interior

- Garbage/Debris
- Interior Damage
- Oil
- Transmission
- Coolant
- Spare Tire & Jack

POSTTRIP CHECK

Exterior

- Lights
- Body Damage/ Scratches
- Closed Windows

Interior

- Garbage/Debris
- Radio Off
- Ash Tray Emptied

PLEASE TURN IN KEYS PROMPTLY
THANK YOU!!!

CAB CHECK LIST Name: _____ Date: _____ Cab# _____

PRETRIP CHECK

Exterior

- Lights
- Body Damage/ Scratches
- Tire Pressure

Interior

- Garbage/Debris
- Interior Damage
- Oil
- Transmission
- Coolant
- Spare Tire & Jack

POSTTRIP CHECK

Exterior

- Lights
- Body Damage/ Scratches
- Closed Windows

Interior

- Garbage/Debris
- Radio Off
- Ash Tray Emptied

PLEASE TURN IN KEYS PROMPTLY
THANK YOU!!!

DRIVERS REQUEST FOR VEHICLE REPAIRS

VEHICLE NO. _____ DATE _____

(Check Defective Condition)

- | | | |
|--|---|---|
| <input type="checkbox"/> BATTERY / WATER | <input type="checkbox"/> HEATER & DEFROSTER | <input type="checkbox"/> STEERING |
| <input type="checkbox"/> BRAKES | <input type="checkbox"/> HORN | <input type="checkbox"/> TIRES |
| <input type="checkbox"/> ENGINE OIL | <input type="checkbox"/> INSTRUMENTS | <input type="checkbox"/> WHEELS |
| <input type="checkbox"/> DIRECTIONAL SIGNALS | <input type="checkbox"/> LIGHTS & REFLECTIONS | <input type="checkbox"/> TRANSMISSION |
| <input type="checkbox"/> ENGINE PERFORMANCE | <input type="checkbox"/> MIRROR | <input type="checkbox"/> WINDSHIELD WIPER |
| <input type="checkbox"/> METER | <input type="checkbox"/> MUFFLER & EXHAUST | <input type="checkbox"/> WINDSHIELD FLUID |
| <input type="checkbox"/> GENERATOR & STARTER | <input type="checkbox"/> RADIATOR & WATER | |

Remarks

Exterior Damage

Interior Damage

Signed
(Driver)

MECHANIC'S REPORT REPAIRS MADE

Date _____ Mechanic _____ Hrs. _____

Parts used

Parts ordered / Where?

Signed

Santa Cruz Transportation LLC

Monthly Vehicle Maintenance & Repair Checklist

Vehicle Registration Number

Vehicle Number

Vehicle Mileage

Date Removed from Service

Date Returned

- OK
- Adjustment made
- Needs attention

Prepare for inspection

- Check driver's report
- Wash vehicle
- Review maintenance history

Start up and drive; check operation of:

- Starting
- Service brake
- Horn
- Parking brake
- Transmission
- Speedometer

Remain in vehicle; check operation of:

- Fuel gauge
- Battery charging gauge
- Steering wheel free play
- Headlights high indicator
- Turn signal indicators
- Interior lights
- Heater and defroster
- All window glass
- Seats
- Oil gauge
- Windshield wipers and washer
- Registration
- Headlights low
- 4-way flasher indicator
- Instrument panel lights
- Air conditioner
- Doors
- Safety equipment

Outside inspection; check:

- Hood
- All lights
- Outside mirrors
- Front end, king pins, wheel bearings, tie rod ends
- Bumper, body damage

- Fuel cap
- Tires (check wear, cracks)
- Record pressure
_____ lbs. per sq. inch

Under chassis:

- Engine and transmission mounting bolts; check and adjust
- Transmission; check gear oil level
- Exhaust, muffler and tail pipe hangers; tighten if loose
- Differential: check for leaks
- Springs, shackles, U-bolts; check for cracks or rust, tighten
- Body mounting bolts; check and adjust
- Transmission; check cover bell and seal areas for leaks
- Differential; check gear oil level and clean breather
- Brakes; adjust if needed

Under hood; check:

- Air compressor; mounting and belt tension
- Power steering hoses and oil level
- C/case breather; clean/change exhaust system, tighten
- Change oil filter
- Correct fuel leaks
- Pressure check radiator
- Check and adjust hoses
- Check water level in battery
- Alternator; belt tension, terminals, check and lube
- Lubricate all fittings
- Lube steering gear and shaft
- Throttle linkage
- Water pump and fan belt
- Lube water pump and fan hub
- Change air filter
- Change engine oil
- Change fuel filter
- Check radiator level
- Clean radiator front
- Antifreeze protected _____ degrees
- Clean battery cables
- Fill master cylinder

Santa Cruz Transportation LLC

3,000 Mile Lift Maintenance & Repair Checklist

- Inspect all lift hinges
- Inspect for hydraulic fluid and loose fittings
- Inspect wiring connections
- Check hydraulic fluid level
- Inspect stress points for wear, lip hinge and lock, platform hinges, floor and upper anchor bolts, and cable tension (if used)
- Inspect raise and lower speed of lift; adjust if necessary
- Inspect general condition of entire lift
- Inspect control cord and toggle/switch

Additional Comments

Mechanic Signature

Santa Cruz Transportation LLC

12,000 Mile Vehicle Maintenance & Repair Checklist

Vehicle Registration Number

Vehicle Number

Vehicle Mileage

Date Removed from Service

Date Returned

- OK
- Adjustment made
- Needs attention
- Test drive vehicle
- Change oil and filter
- Replace positive crank case vent valve
- Replace in-line fuel filter
- Replace transmission fluid and gasket
- Replace element in air cleaner
- Complete tune-up: plugs, timing
- Replace ignition cables
- Check lube level, rear end and transmission
- Check and tighten body: spring axle, U-bolts and shackles
- Check fluid levels: master cylinder and power steering
- Inspect all drive belts and alternator belt and bracket
- Inspect complete exhaust system
- Inspect brake and power steering hoses
- Inspect all ball joints, steering linkage and universal joints

Drive off and park:

- Check level of engine oil
- Record all pertinent information in vehicle records
- Check hood latch

Additional Mechanic Notes:

Mechanic Signature

Santa Cruz Transportation LLC

3,000 Mile Vehicle Maintenance & Repair Checklist

Vehicle Registration Number

Vehicle Number

Vehicle Mileage

Date Removed from Service

Date Returned

- OK
- Adjustment made
- Needs attention
- Test drive vehicle
- Change oil and filter
- Check lube level, rear end and transmission
- Lube chassis
- Lube throttle linkage
- Check fluid levels: battery, radiator and windshield washer
- Check fluid levels: master cylinder and power steering
- Inspect upper and lower control arms and bushings
- Inspect all drive belts and alternator belt and bracket
- Visually inspect all brakes
- Adjust air in tires
- Inspect and test all interior lights, exterior lights, high and low beams
- Visually inspect general vehicle condition

Attachment # 4

Key Personnel Resumès

James C. Monroe
2615 Willowbrook Lane #83
Aptos, CA 95003
Phone: (831) 818-4119
Email:jamescmonroe@comcast.net

OBJECTIVE:

My objective is to continue to be a positive force in the safe transportation of private and contract clients to and from appointments in the Santa Cruz County region.

QUALIFICATIONS:

After 16 years in the taxicab service industry, I have an innate understanding of the client's needs and expectations to receive a level of service that will keep them returning as regular customers

EDUCATION:

1976-1979 Associate of Arts Degree Music; Cabrillo College

EMPLOYMENT:

1989-2004

Taxicab Driver; Owner Operator, Yellow Cab Co. Other duties include Taxicab dispatch and radio operation. Office procedures include accounting and scheduling

1975-1991

Musician performing in the San Francisco Bay Area as a ContraBass Player and Fender Bass Player with a diverse number of groups, including Don McCaslin and Warmth, The Frank Leal Quartet, The Gene Gilbeaux Orchestra, The Ernie Chavez Quintet, and The Friends of Jazz, among other groups.

1970-1973

Airman in the USAF serving at Vandenberg AFB. I was drafted into the US Army and subsequently enlisted into the USAF for the electronics education.

Alexander Danganan
2220 Juan Pablo Lane
Santa Cruz, CA 95062
Phone: (831) 566-0543
Email: Rednaxela1954@aol.com

Objective:

Opportunity for continuing growth on the job and career advancement.

Skills and Abilities:

- Excellent communication and organization skills
- Proven ability to work both as a team member as also efficiently with minimal supervision
- Exceptional job oriented attitude
- Natural ability to both receive and give instructions
- Personally charged to take greater responsibility and learn new tasks

Education:

1963-1968 Saint Ignatius Academy (High School)
1968-1969 Manuel L. Queson University

Military:

1969-1981 Naval School Center

- Basic Seaman Course
- Specialization Course Class "A"
- Torpedo Course
- Gyro Compass Maintenance and Repair

Employment:

Electrician, 1970-1975
RPS Nueva Ecija (PS-25)

Electrician, 1975-1976
RSP Andres Bonifacio (F-7)

Repair Supervisor, 1976-1977
Fleet Repair Office

Maintenance and Repair Group, 1977-1983
Fleet Repair Group

Honorable discharge from the Philippine Navy, September 1983

Shipping/Receiving, 1983-1987
Plantronics, Inc.

Final Tester, 1987-1992
Plantronics, Inc.

Headset Tester, 1992-1999
Plantronics, Inc.

Headset Technicians, 1999-present
Plantronics, Inc.

Taxi Driver, 1999-2004
Santa Cruz Transportation, LLC

Miscellaneous:

- Successful completion of DC Electronics
- Certified in the Principals of Acoustics and the Measurement of Sound, 1999
- Certified CPR, 2002-present

Hazael Estalilla
1365 Ruby CT #4
Capitola, CA 95010
(831) 295-0643

SANTA CRUZ TRANSPORTATION, LLC
Business Office
2964 Soquel Avenue #C
Santa Cruz, CA 95063
October 14, 2006 to Present

- Provides administrative assistance to the Owner and other officers as required.
- Oversees inventory of office supplies and responsible for requisition of office supplies.
- Reads and routes incoming mail on a daily basis; assists Owner by directing to pertinent information and articles.
- Coordinates lines of communication between personnel and ensures information is distributed.
- Maintains list of all vendors and subcontractors, and all jobs and customers – past and current.
- Works with accountant in maintaining financial records
- Monitor the general liability, auto, and worker's compensation.
- Designated Employer Representative for Drug and Alcohol Program.
- Performs accounts payable accounting functions, including weekly payroll
- Collects weekly time cards, records employee hours, posting to appropriate jobs and labor codes
- Files weekly payroll tax payments and quarterly/yearly reports.
- Performs accounts receivable functions including billing, processing of invoices and record keeping.
- Prints billing invoices and mails to customer.

PLEASANT CARE – SANTA CRUZ
Payroll/Accounts Payable Officer
2990 Soquel Avenue
Santa Cruz CA, 95062
12 March 2004 to October 13, 2006

- Performs payroll-related functions including but not limited to processing new hires, rate changes, termination status changes, tax

changes, wage garnishments, deductions, and distribution of paychecks every paydays.

- Monitor, enroll and termination of employees health and dental insurance.
- Prepares daily labor report and daily overtime summary.
- Reviews and verifies payroll data in a timely manner, calculates overtime and other pay premiums, and enters payroll data using TA system
- Prepares manual checks as necessary
- Oversees maintenance of payroll records and files including but not limited to sick time and vacation and other accrued leave.
- Responds to routine inquiries concerning payroll deductions and accruals, wage garnishments, child support payments, and employment verifications.
- Reconciles all payroll-related accounts and activities.
- Assists with the development and implementation of payroll practices, policies, and procedures.
- Assists with related special projects as required.
- Monitors and processes work related injuries (workers compensation)
- Safekeeping of employees records.
- Process all invoices to be sent to corporate office for payments.
- Monitors all paid and past due invoices.
- Entertains follow ups from vendor.
- Prepares monthly summary of expenses and salary/wages analysis.
- Prepares all reports required with regards to employees, payroll and expenses.
-

EPSON PIHILIPPINES CORPORATION

Sales Administrative Associate

36th Floor, Rufino Pacific Tower

6784 Ayala Avenue Makati City Philippines

10 December 1999 to 30 April 2003

- Prepare Monthly Consumables Forecast for the Philippine Market.
- Prepare Quarterly Consumable Forecast and Summer Sales Forecast.
- Works together with upper management in preparation of Business Plan.
- Prepare EPC Report related to consumable required by regional head quarter (ESP) from time to time.
- Prepare summary of Distributors Sales Result every month.
- Monitor consumable sales and inventory to ensure non-shortage of stocks in the market.

- Monitor shipment of consumables to assure on-time delivery to distributors.
- Provide Sales Department of the consumable procurement quantity for the month based on the consumable forecast
- Monitor Back Order/Additional PO of distributors at the same time monitor EPC additional PO to ensure that all additional order inquiries are properly accounted and have corresponding PO to ESP.
- Monitor consumables expiration dates and offer discounts to distributors if needed
- Allocation of available stocks for delivery based on distributors forecast and demand.
- Send items for PO to distributors based on available stocks.
- Entertains and answer inquiry from distributors/clients with regards to consumables.

Other Tasks Assigned:

- Monitor Marketing Development Fund (MDF).
- Budget Controller for consumable requirement of Marketing & Channel Dept.
- Prepare fixed asset requisition for consumable to be used internally and for road show.
- Custodian for internal consumable stocks, give-away, advertising materials (POP, brochures, leaflets) and machines used for demo purposes.

JUNTEC CORPORATION
 Production Planner
 LIIP-PEZA, Binan Laguna Philippines
 20 April 1998 to 31 August 1999

- Prepares sales report for the day and sales achievement for the month.
- Prepares sales and material forecast for the month.
- Prepares monthly schedule based on customer's requirements.
- Makes material purchase order (direct & indirect) based on production requirements.
- Monitors production output based on schedules.
- Monitor product delivery to customers based on delivery schedule to ensure on-time delivery.
- Prepares documents, i.e.: Customs requirements, delivery receipts, invoices, etc. needed for product delivery.
- Prepares IMPORT/EXPORT documents.
- Prepares schedule of transportation to be used for delivery at the same time monitors the trucking expenses
- Prepares statement of accounts to each customer.

- Prepares reconciliation statement relative to accounts receivable.
- Assist in pricing negotiations.
- Prepares monthly summary of liabilities to supplier.
- Member of ISO Documentation Committee.
- Coordinates with supplier on matters relative to raw materials and to accounts payable.
- Coordinates with customer on matters relative to product delivery and accounts receivable.

EDUCATIONAL BACKGROUND

College Education:

Bachelor of Science in Accountancy

Colegio de San Juan de Letran, Philippines

Year Graduated: April 1997

*w/ IERF Evaluation

**RESUME OF
GERALDINE L. GO
1430 42nd Avenue Apt#3
Capitola, CA 95010
Cell Phone# (831) 214-1857**

WORK EXPERIENCES:

**November 17, 2006 to Present - Santa Cruz Transportation, LLC
2964 Soquel Ave. #C
Santa Cruz, CA 95062**

Position: Part-time Bookkeeper

Responsibilities:

- Billing and collection of payments from customers on account, includes sending collection letters and follow-ups on payment
- Other functions include call-taking of rides and filing

**June 01, 2005 to Present - Almart Retail Development Inc.
2200 Eastridge Loop 1000
San Jose, CA 95122**

Position: Store Manager

Responsibilities:

- Preparing schedule every other week and summary of store hours for payroll processing
- Making sure that the store is fully stocked and organized
- Ordering stocks/merchandise from the warehouse and/or suppliers
- Provide reports of broken and transferred merchandise on a weekly basis
- Interview/hire personnel when needed

September 2004 to September 2006 -

**Pleasant Care Rehab & Nursing Center
2900 Soquel Avenue
Santa Cruz, CA 95062**

Position: Business Office Manager

Responsibilities:

- Billing and collections of private payments from residents or responsible parties including follow-ups thru phone and/or sending collection letters
- Processing and submission of Treatment Authorization Request to various Medical Field Offices (Initial TAR and Reauthorization)
- Verification of eligibility and benefits of potential resident's insurance before admission to the facility
- Follow-ups on eligibility of residents for Medical from different Counties
- Preparation and monitoring of Daily Census Report
- Filing and maintenance of resident's business file
- Reconciliation of Resident Trust Fund monthly. Sending of Quarterly Statement of Accounts to the residents or responsible parties
- Processing of Ancillary Invoices monthly
- Other functions include ordering of office supplies for the whole facility, replenishment of Petty Cash Fund for General and Maintenance Fund and preparation of other reports asked by the Administrator

February 2004 to August 2004 -

**Pleasant Care Rehab & Nursing Center
2990 Soquel Avenue,
Santa Cruz, CA 95062**

Position: Payroll/A/P Officer

Responsibilities:

- Processing of payroll of almost 110 employees of the facility on a bi-monthly basis and distributing paychecks every 10th and 25th of the month
- Processing of employee benefits (health/dental insurance, vacation, sick)
- Updating of company's Vacation and Sick Logs of each employee
- Processing of invoices from suppliers for sending to the Corporate Office for payment
- Monitoring of check releases/updating check releases log

August 1999 to November 2003

**- The Manila Banking Corporation
6772 Ayala Avenue
Makati City Philippines**

Position: Financial Analyst

Responsibilities:

- Reconciliation of Inter-Office, bank deposits, BSP demand deposit accounts on a monthly basis
- Preparation of BSP reports (quarterly) particularly the Consolidated Statement of Condition, Consolidated Statement of Income and Expenses and the Statement of Income and Expenses by Banking Unit
- Preparation of PDIC Regular Certified Statement Report (semestral)
- Preparation of Notes to Financial Statements monthly
- Printing and checking of monthly reports like the General Ledger and Subsidiary Ledger
- Monitoring of Head Office and Inter-Office accounts
- Proposed accounting entries for provision of expenses and amortization/depreciation of assets (monthly), also, adjusting entries to correct errors made
- Month-end processing of Head Office books, both Regular and FCD books
- Tasked to Register Book of Accounts to the Bureau of Internal Revenue
- Prepare internal reports, usually schedule of accounts requested by the superiors
- Attend seminars on tax matters and other bank related issues
- Other incidental functions (e.g. filing)

EDUCATIONAL BACKGROUND

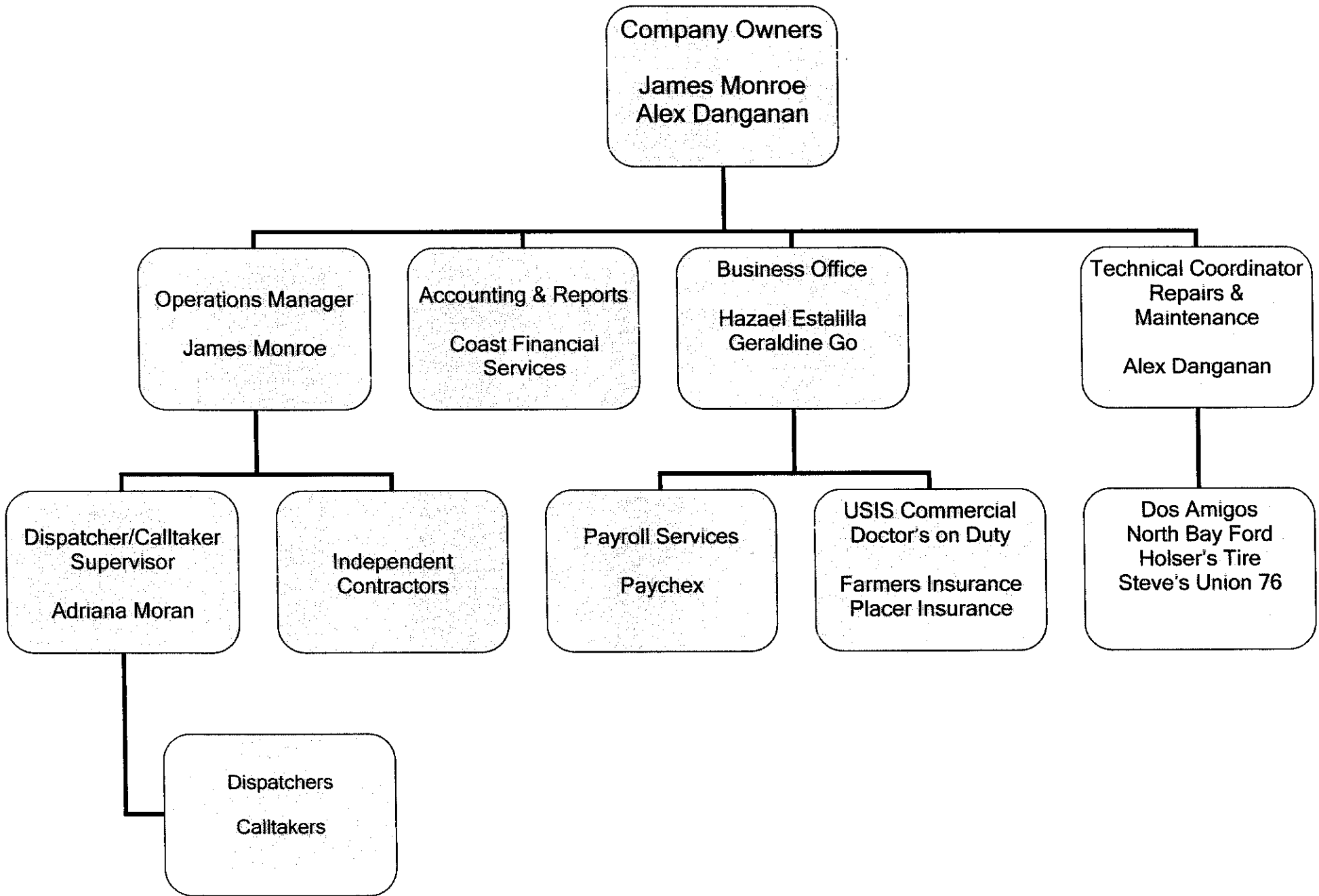
**Polytechnic University of the Philippines
Sta. Mesa Manila**

**Bachelor of Science in Accountancy
1993-1997**

**CERTIFIED PUBLIC ACCOUNTANT
PHILIPPINES
PRC License # 0097256**

Attachment # 5

Organization Chart



Attachment # 6

Driver Roster

**Santa Cruz Transportation, LLC
Driver Roster
As of April 2007**

(DOT)

| Last Name | First | Hire Date | CDL# | Birthdate |
|------------------|------------------------|------------------|-------------|------------------|
| ADAMS | David | 11/05/2002 | A1990058 | 02/08/1969 |
| ADAMS | Jonathan | 06/15/2006 | D1906692 | 05/26/1981 |
| ALLEN | Edward | 10/09/2002 | N0387575 | 02/02/1955 |
| BARBOUR | Sharon | 12/01/2004 | N4007155 | 01/22/1956 |
| BEJARANO | Tony | 09/01/2005 | C0921922 | 02/11/1960 |
| BELLAIRS-HAYDEN | Blake | 09/01/2006 | D1209222 | 03/12/1982 |
| CALLAGHAN | Bill | 08/19/2005 | R0367555 | 10/09/1948 |
| CARLOS | Benjamin | 04/02/2007 | D6904900 | 04/19/1983 |
| CHARTERS | Kevin | 09/09/2005 | C6816859 | 12/30/1968 |
| DANGANAN | Alex (<i>Owner</i>) | 07/08/1999 | C3333954 | 02/09/1950 |
| GRAGASIN | Ronald | 08/18/1998 | B4006514 | 05/22/1973 |
| MONROE | James (<i>Owner</i>) | 01/27/1989 | N3017284 | 10/13/1951 |
| RIDNER | James | 07/15/2005 | A4578671 | 08/27/1960 |
| ROGERS | Robert | 10/13/1989 | C6221832 | 06/27/1942 |
| RUIZVELAZCO | Enrique | 06/22/2004 | A6484412 | 06/17/1959 |
| RIBELINO | Toledo | 12/15/2005 | A8003980 | 06/08/1973 |
| SZEWCZYK | Lucjan | 05/24/2005 | C5040548 | 07/06/1948 |
| TOEWS | John | 06/06/1996 | E0569473 | 05/31/1954 |

(NON-DOT)

| | | | | |
|-------------|----------|------------|----------|------------|
| ARELLANO | Mercedes | 05/10/2005 | N5687244 | 12/24/1958 |
| AQUARIAN | Hale | 01/31/2007 | N0204351 | 07/25/2011 |
| CARD | Sally | 05/02/2006 | N7240063 | 12/22/1959 |
| GALAN | Pablo | 01/31/2007 | A5162494 | 08/01/1956 |
| HANINGER | Michael | 03/10/2004 | N2532845 | 07/20/1956 |
| HOLT | Daniel | 03/30/2005 | R0508950 | 01/23/1950 |
| MARK | Alan | 08/26/2005 | B5559961 | 12/09/1949 |
| MOHAMED | Saleh | 08/04/2004 | D2020491 | 03/21/1978 |
| ORTLER | Thomas | 02/09/2006 | S0971539 | 10/17/1951 |
| PINKUS | Irwin | 10/13/2004 | V8117951 | 07/13/1949 |
| REED | Dirk | 01/09/2007 | B4417994 | 08/07/1948 |
| REEVES | Michael | 02/16/1995 | N0133996 | 01/19/1955 |
| SHAREK | Steve | 01/11/2005 | E0870111 | 09/28/1954 |
| TOLEDO | Sergio | 11/17/2006 | B7122629 | 03/24/1978 |
| TUMBLESON | Bob | 11/08/1994 | C0053942 | 01/22/1938 |
| TURIGLIATTO | Charles | 03/01/2007 | C0986893 | 08/29/1949 |

Attachment # 7

Customer References



Dominican Hospital

CHW

August 10, 2006

James Monroe, owner Yellow Cab

P.O. Box 3328

Santa Cruz, CA 95063

Dear James,

I learned that it was you who drove our developmentally disabled patient, M.C. to the airport on the evening of August 8th to catch a flight back east. I heard that you personally stayed with him and made sure he made the flight, which ended up taking some three hours. I want to thank you and commend you for your service. This was clearly going above and beyond the call of duty.

Your care and compassion with this young man enabled him to return safely home after a frightening odyssey across the country. I can't thank you enough. The hospital also thanks you as we would have had to send a staff member to escort the patient, had your company not been willing to see him door to door.

Thank you for such a positive experience with your company. I hope we have many years of continued collaboration together.

Most sincerely,

Elena Longsworth RN, CNS, MFT
Supervisor, Psychiatric Emergency Services

CC George Jarrow, Department Manager
Sister Julie Hyer, Dominican Administration



April 3, 2007

To Whom It May Concern:

We would like to let you know how much our employees have benefited from the service that Yellow Cab Company has provided. We have opened a company account before offsite events for employees to use to and from the location. This allows the employees to enjoy themselves without worrying how to get home late at night.

It was very easy to open a business account, employees made their own reservations, and we were invoiced shortly after.

We will definitely be using their service in the future!

Sincerely,

A handwritten signature in cursive script that reads 'Allison Prather'.

Allison Prather
Office Manager

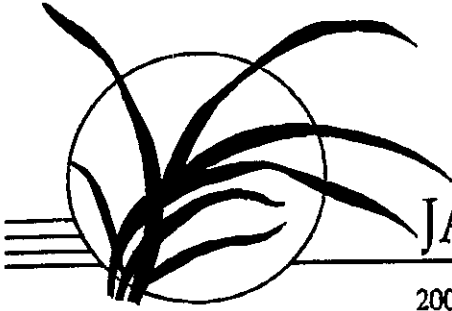


April 4, 2007

RE: Santa Cruz Transportation

We have used Santa Cruz Transportation to drive our service customers when our shuttle is not able to accommodate them. They provide prompt service with reasonable prices. We rely on them for our taxi needs.

Marilyn Girard
Administrative Assistant



JANUS OF SANTA CRUZ

www.janussc.org

200 7th Avenue, Suite 150 • Santa Cruz, CA 95062 • (831) 462-1060 • Fax (831) 462-4970

TO WHOM IT MAY CONCERN:

RE: Service Provided by Santa Cruz Transportation

We are a drug and alcohol facility with several locations in Santa Cruz County with clients who need transportation to and from various locations. We use Santa Cruz Transportation on a regular daily/weekly/monthly basis for all our transportation needs.

Sincerely,

Lorraine Shuler
Accounts Payable Administrator

Apr 4 2007 2:26PM

EDC-PHP

No 3440 2 1

El Dorado Center

A joint venture between Santa Cruz Mental Health Department,
Santa Cruz Community Counseling Center, and Dominican Hospital Behavioral Health Services
• Residential • Evening Outpatient • Partial Hospitalization

April 4, 2007

RE: YELLOW CAB

To Whom It May Concern:

This letter is to confirm that our facility uses Yellow Cab as our transportation service for our clients. If you have any questions, please call (831) 479-7195

Thank you

Sincerely,



Niko Takaoka Shattuck, Secretary II
El Dorado Center PHP



People live here.

Aegis of Aptos
125 Heather Terrace
Aptos, CA 95003
RCFE # 445200677

ph: 831 684-2700
fax: 831 684-2719

aptos@aegisliving.com
www.aegisliving.com

April 3, 2007

To Whom It May Concern:

Yellow Cab has been providing excellent service to us when the need arises.

We have times when we need to transport a resident to and from the hospital or doctor's office.

They have always been prompt and provide great service.

Regards,

Kathleen Kettle
Business Manager

Attachment # 8

Required Certifications (Buy America & Lobbying)

LOBBYING CERTIFICATION
(Only for Contracts above \$100,000)

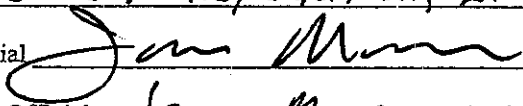
Lobbying Certification for Contracts Grants, Loans and Cooperative Agreements (Pursuant to 49 CFR Part 20, Appendix A)

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal Contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal Contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form--LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions and as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed Reg. 1413 (1/19/96).
- (3) The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and Contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Bidder/Offeror certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Bidder/Offeror understands and agrees that the provisions of 31 U.S.C. A 3801, et. seq apply to this certification and disclosure, if any.

Firm Name Santa Cruz Transportation, LLC.
Signature of Authorized Official 
Name and Title of Authorized Official James Monroe, owner
Date 9/14/04

BUY AMERICA PROVISION
(Only for Contracts above \$100,000)

This procurement is subject to the Federal Transit Administration Buy America Requirements in 49 CFR part 661.

A Buy American Certificate, as per attached format, must be completed and submitted with the bid. A bid which does not include the certificate will be considered non-responsive.

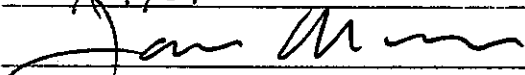
A false certification is a criminal act in violation of 18 U.S.C. 1001. Should this procurement be investigated, the successful bidder/proposer has the burden of proof to establish that it is in compliance.

A waiver from the Buy America Provision may be sought by SCMTD if grounds for the waiver exist.

Section 165(a) of the Surface Transportation Act of 1982 permits FTA participation on this contract only if steel and manufactured products used in the contract are produced in the United States.

BUY AMERICA CERTIFICATE

The bidder hereby certifies that it will comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Assistance Act of 1982, and the applicable regulations in 49 CFR Part 661.

Date: 9/14/04
Signature: 
Company Name: Santa Cruz Transportation, LLC
Title: Owner

OR

The bidder hereby certifies that it cannot comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Act of 1982, but may qualify for an exception to the requirement pursuant to Section 165(b)(2) or (b)(4) of the Surface Transportation Assistance Act of 1982, as amended, and regulations in 49 CFR 661.7.

Date: _____
Signature: _____
Company Name: _____
Title: _____

CONTRACT FOR SUPPLEMENTAL PARATRANSIT SERVICES (06-08)

THIS CONTRACT is made effective on May 1, 2007 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("District"), and WATSONVILLE TRANSPORTATION, INC. ("Contractor").

1. RECITALS

1.01 District's Primary Objective

District is a public entity whose primary objective is providing public transportation and has its principal office at 370 Encinal Street, Suite 100, Santa Cruz, California 95060.

1.02 District's Need for Supplemental Paratransit Services

District has the need for Supplemental Paratransit Services. In order to obtain these services, the District issued a Request for Proposals, dated February 21, 2007, setting forth specifications for such services. The Request for Proposals is attached hereto and incorporated herein by reference as Exhibit "A".

1.03 Contractor's Proposal

Contractor is a firm/individual qualified to provide Supplemental Paratransit Services and whose principal place of business is located in Watsonville, California. Pursuant to the Request for Proposals by the District, Contractor submitted a proposal for Supplemental Paratransit Services, which is attached hereto and incorporated herein by reference as Exhibit "B."

1.04 Selection of Contractor and Intent of Contract

On April 27, 2007, District selected Contractor as the offeror whose proposal was most advantageous to the District, to provide Supplemental Paratransit Services described herein. This Contract is intended to fix the provisions of these services.

District and Contractor agree as follows:

2. INCORPORATED DOCUMENTS AND APPLICABLE LAW

2.01 Documents Incorporated in this Contract

The documents below are attached to this Contract and by reference made a part hereof. This is an integrated Contract. This writing constitutes the final expression of the parties' contract, and it is a complete and exclusive statement of the provisions of that Contract, except for written amendments, if any, made after the date of this Contract in accordance with Section 13.14.

A. Exhibit "A"

Santa Cruz Metropolitan Transit District's "Request for Proposals" dated February 21, 2007 including Addendum No. 1 dated March 13, 2007.

B. Exhibit "B" (Contractor's Proposal)

Contractor's Proposal to the District for Supplemental Paratransit Services, signed by Contractor and dated April 4, 2007.

2.02 Conflicts

Where in conflict, the provisions of this writing supersede those of the above-referenced documents, Exhibits "A" and "B". Where in conflict, the provisions of Exhibit "A" supercede Exhibit "B".

2.03 Recitals

The Recitals set forth in Article 1 are part of this Contract.

3. DEFINITIONS

3.01 General

The terms below (or pronouns in place of them) have the following meaning in the contract:

3.01.01 CONTRACT - The Contract consists of this document, the attachments incorporated herein in accordance with Article 2, and any written amendments made in accordance with Section 13.14.

3.01.02 CONTRACTOR - The Contractor selected by District for this project in accordance with the Request for Proposals issued February 21, 2007.

3.01.03 CONTRACTOR'S STAFF - Employees of Contractor.

3.01.04 DAYS - Calendar days.

3.01.05 OFFEROR - Contractor whose proposal was accepted under the terms and conditions of the Request for Proposals issued February 21, 2007.

3.01.06 PROVISION - Any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulation in the contract that defines or otherwise controls, establishes, or limits the performance required or permitted by either party.

3.01.07 SCOPE OF WORK (OR "WORK") - The entire obligation under the Contract, including, without limitation, all labor, equipment, materials, supplies, transportation, services, and other work products and expenses, express or implied, in the Contract.

4. TIME OF PERFORMANCE

4.01 Term

The term of this Contract will be for a period not to exceed one (1) year and shall commence upon the issuance of the contract by the District.

At the option of the District, this contract agreement may be renewed for four (4) additional one (1) year terms upon mutual written consent.

5. COMPENSATION

5.01 Terms of Payment

District shall compensate Contractor in an amount not to exceed the amounts/rates agreed upon by the District. District shall reasonably determine whether work has been successfully performed for purposes of payment. Compensation shall be made within forty-five (45) days of District written approval of Contractor's written invoice for said work. Contractor understands and agrees

that if he/she exceeds the \$200,000 maximum amount payable under this contract, that it does so at its own risk.

5.02 Invoices

Contractor shall submit invoices with a purchase order number provided by the District on a monthly basis. Contractor's invoices shall include detailed records showing actual time devoted, work accomplished, date work accomplished, personnel used, and amount billed per hour. Expenses shall only be billed if allowed under the Contract. Telephone call expenses shall show the nature of the call and identify location and individual called. Said invoice records shall be kept up-to-date at all times and shall be available for inspection by the District (or any grantor of the District, including, without limitation, any State or Federal agency providing project funding or reimbursement) at any time for any reason upon demand for not less than four (4) years after the date of expiration or termination of the Contract. Under penalty of law, Contractor represents that all amounts billed to the District are (1) actually incurred; (2) reasonable in amount; (3) related to this Contract; and (4) necessary for performance of the project.

6. NOTICES

All notices under this Contract shall be deemed duly given upon delivery, if delivered by hand; or three (3) days after posting, if sent by registered mail, receipt requested; to a party hereto at the address hereinunder set forth or to such other address as a party may designate by notice pursuant hereto.

DISTRICT

Santa Cruz Metropolitan Transit District
370 Encinal Street
Suite 100
Santa Cruz, CA 95060
Attention: General Manager

CONTRACTOR

Watsonville Transportation, Inc.
149 Walker Street
Watsonville CA 95076
Attention: Owner

7. AUTHORITY

Each party has full power and authority to enter into and perform this Contract and the person signing this Contract on behalf of each has been properly authorized and empowered to enter into this Contract. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it.

Signed on _____

DISTRICT
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR
WATSONVILLE TRANSPORTATION, INC.

By _____
Richard Camperud
Owner

Approved as to Form:

Margaret Rose Gallagher
District Counsel

EXHIBIT - B

Part II

GENERAL INFORMATION FORM SUPPLEMENTAL PARATRANSIT SERVICES No. 06-08

(To be completed by the offeror and placed at the front of your proposal)

Watsonville Transportation, Inc.

Legal name of Firm

4/4/07

Date

149 Walker St., Watsonville, CA 95076

Firm's Address

(831) 761-3122

Telephone Number

(831) 763-2527

FAX Number

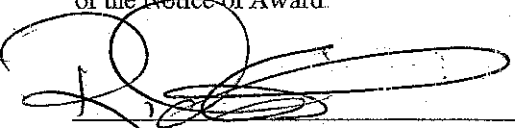
Corporation

Type of Organization (Partnership, Corporation, etc.)

77-0511538

Tax ID Number

Offeror understands and agrees that, by his/her signature, if awarded the contract for the project, he/she is entering into a contract with the District that incorporates the terms and conditions of the entire Request for Proposals package, including the General Conditions section of the Request for Proposals. Offeror understands that this proposal constitutes a firm offer to the District that cannot be withdrawn for ninety (90) calendar days from the dates of the deadline for receipt of proposals. If awarded the contract, offeror agrees to deliver to the District the required insurance certificates within ten (ten) calendar days of the Notice of Award.


Signature of Authorized Principal

Richard Camperud; Owner

Name of Principal-in-charge and Title

Richard Camperud; Owner

Name of Project Manager and Title

Richard Camperud; Owner: e-mail: richardc@courtesycab.com Phone: (831) 761-3122

Name, Title, Email Address and Phone Number of Person to Whom Correspondence Should be Directed

149 Walker St., Watsonville, CA 95076

Addresses Where Correspondences Should be Sent

All Areas as described in the METRO RFP and the Courtesy Cab Proposal

Areas of Responsibility of Prime Contractor

Listing of major sub consultants proposed (if applicable), their phone numbers, and areas of responsibility (indicate which firms are DBE's):

| <u>Company</u> | <u>Phone number</u> | <u>Responsibility</u> |
|-------------------|---------------------|-----------------------|
| Century Chevrolet | (831) 722-4122 | Vehicle Maintenance |

Courtesy Cab intends to provide all services directly other than the contracted services listed above. Any revisions resulting in the subcontracting of rides will be discussed with SCMTD and agreed upon in writing in advance.

Courtesy Cab does not know the DBE status of Century Chevrolet.

**CERTIFICATION OF PROPOSED CONTRACTOR REGARDING DEBARMENT,
SUSPENSION AND OTHER INELIGIBILITY AND VOLUNTARY EXCLUSION**

(Contractor) Courtesy Cab certifies to the best of its knowledge and belief, that it and its principals:

Are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal department or agency;


Have not within a three year period preceding this bid been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;

Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and

Have not within a three year period preceding this bid had one or more public transactions (Federal, State or local) terminated for cause or default

If the Proposed Subcontractor is unable to certify to any of the statements in this certification, it shall attach an explanation to this certification.

(Contractor) Courtesy Cab, CERTIFIES OR AFFIRMS THE TRUTHFULNESS AND ACCURACY OF THE CONTENTS OF THE STATEMENTS SUBMITTED ON OR WITH THIS CERTIFICATION AND UNDERSTANDS THAT THE PROVISIONS OF 31 U.S.C. SECTIONS 3801-EL. SEQ. ARE APPLICABLE THERETO.


Signature and Title of Authorized Official Owner

LOBBYING CERTIFICATION
(Only for Contracts above \$100,000)

Lobbying Certification for Contracts Grants, Loans and Cooperative Agreements (Pursuant to 49 CFR Part 20, Appendix A)

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal Contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal Contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form--LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions and as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96).
- (3) The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and Contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Bidder/Offeror certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Bidder/Offeror understands and agrees that the provisions of 31 U.S.C. A 3801, et. seq. apply to this certification and disclosure, if any.

Firm Name Courtesy Cab

Signature of Authorized Official 

Name and Title of Authorized Official Richard Camperud, Owner

Date 4/3/07

BUY AMERICA PROVISION
(Only for Contracts above \$100,000)

This procurement is subject to the Federal Transit Administration Buy America Requirements in 49 CFR part 661.

A Buy American Certificate, as per attached format, must be completed and submitted with the bid. A bid which does not include the certificate will be considered non-responsive.

A false certification is a criminal act in violation of 18 U.S.C. 1001. Should this procurement be investigated, the successful bidder/proposer has the burden of proof to establish that it is in compliance.

A waiver from the Buy America Provision may be sought by METRO if grounds for the waiver exist.

Section 165(a) of the Surface Transportation Act of 1982 permits FTA participation on this contract only if steel and manufactured products used in the contract are produced in the United States.

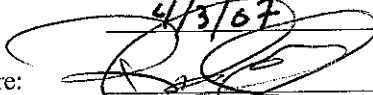
BUY AMERICA CERTIFICATE

The bidder hereby certifies that it will comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Assistance Act of 1982, and the applicable regulations in 49 CFR Part 661.

Date:

4/3/07

Signature:

 _____

Company Name:

Courtesy Cab

Title:

Owner

OR

The bidder hereby certifies that it cannot comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Act of 1982, but may qualify for an exception to the requirement pursuant to Section 165(b)(2) or (b)(4) of the Surface Transportation Assistance Act of 1982, as amended, and regulations in 49 CFR 661.7

Date:

Signature:

Company Name:

Title:

This Proposal from **WATSONVILLE TRANSPORTATION, INC., DBA COURTESY CAB** is for the operation of Santa Cruz Metropolitan Transit District (METRO) owned vehicles for the provision of supplementary ADA Paratransit Services, as described in District RFP No. 06-08.

COURTESY CAB requests the use of two METRO wheelchair accessible minivans for the duration of this contract; one for the primary provision of service, and the second as a backup vehicle in order to perform preventive maintenance on vehicle #1, and to put into service in the event of unexpected mechanical failure of the first vehicle. Additional vehicles would be needed (and accepted by Courtesy Cab) if METRO had multiple schedules for Courtesy Cab to perform.

Courtesy Cab will not use METRO vehicles in any other segment of their operations. Likewise, Courtesy Cab will not be using its own fleet of vehicles to provide METRO contracted services. As a result, Courtesy Cab's fleet of vehicles is not included as part of this proposal.

TECHNICAL PROPOSAL

Service Management

Courtesy Cab operates 24 hours per day, 7 days per week, 365 days per year. At all times the office is open to phone calls, and all drivers are supported by central dispatch, easily reached via the radio in each vehicle.

Requests for service will be incorporated into Courtesy Cab's existing operations. Schedules for dedicated vehicles will be copied and directly handed to each driver of the dedicated vehicles. A copy will be used by the dispatcher on duty to assure the trips are completed as requested. Each driver begins their route at the main Courtesy Cab office, and if there are any questions regarding the assignment, dispatchers resolve them before the beginning of the trip to be provided.

Drivers will inform dispatch of no-shows and cancellations via radio as they occur. Drivers will return their daily schedule to the main office upon completing their route with notations of any changes.

Last minute changes to the METRO schedule will be relayed from the Courtesy Cab dispatcher to the driver immediately upon receiving the change from METRO personnel.

Last minute additions to the Courtesy Cab METRO schedule will be subject to vehicle space and driver availability. The Courtesy Cab dispatcher will determine if adequate capacity exists in the fleet to add a last minute request and not negatively impact the on-time performance of previously scheduled trips. The Courtesy Cab dispatcher will inform METRO of the amount of time it will take to perform the additional trip, and will only continue with the request if METRO requests doing so.

Response to Complaints

Courtesy Cab takes complaints seriously. We believe that without a method to not only respond to complaints, but to receive them, we can't learn how to improve our services. All ADA complaints will be duly recorded, and Courtesy Cab management staff will review each complaint individually for appropriate corrective action. All complaints involving ADA service will be forwarded to METRO within the guidelines required by this contract. Complaints received from METRO will be responded to within 48 hours. In the event additional investigation is needed beyond what is reasonably possible within 48 hours, Courtesy Cab will inform METRO of the progress to date, and the reason for additional time to gather additional information. METRO will be notified again once a final discovery and action have been taken. In no case will Courtesy Cab fail to provide complaint feedback in less than the required time.

All paratransit services will be provided in a manner that meets Metro's adopted service standards in a safe, reliable, cost-effective manner, utilizing clean vehicles and customer friendly personnel.

All drivers will operate in compliance with the METRO RFP, attachments, and subsequent contracts. Assistance to all passengers will be provided, unless refused by the passenger.

Courtesy Cab's Drug and Alcohol Policy complies with all U.S. DOT and METRO requirements, as outlined in the RFP. Drug and alcohol testing includes pre-employment, post-accident, probable cause, and random testing. All safety-sensitive personnel employed by Courtesy Cab are subjected to this policy, including drivers and dispatchers. All components of this policy will be strictly enforced. Doctors on Duty conducts Drug and Alcohol testing for Courtesy Cab, and are familiar with U.S. DOT requirements.

Safety and Training

Passenger safety is at the forefront of any ride provided by Courtesy Cab. As our name implies, courtesy is more than a policy at Courtesy Cab; it's our way of doing business.

The first line of safety for our passengers is the vehicles themselves. Our comprehensive preventative maintenance program insures that our vehicles are mechanically sound. Each driver performs a daily vehicle inspection to insure all vehicles are safe to operate between scheduled maintenance. Radio dispatch provides additional safety in the event of unforeseen problems during a trip.

Vehicle maintenance is performed under contract by Century Chevrolet, located at 490 Auto Center Drive in Watsonville, CA. Owner Richard Camperud traditionally performs routine maintenance for Courtesy Cab owned vehicles, but will contract out this work for METRO owned vehicles. Mr. Camperud's mechanical experience will ensure strict adherence to METRO standards.

Driver training and experience is the most important aspect of passenger safety in any transportation system, and Courtesy Cab goes to great lengths to ensure drivers are properly prepared for the challenges they face on a daily basis. Courtesy Cab values the work of courteous and safe drivers, and makes a concerted effort to retain quality employees. The attached list of drivers (**attachment 1**) reveals that current drivers have extensive experience with the company. We feel this an overwhelming endorsement of our operations, as employees do not stay with shoddy operations for long. We also feel this longevity is an indication of the expertise of the drivers themselves.

Driver training starts with the actual screening of applicants. The Courtesy Cab Owner uses his years of experience to assess the applicant's ability to meet the challenges of the road. Pre-employment drug and alcohol screening must be passed before a position is formally offered. Finally, driver references are checked with former employers, and a DMV printout is required to insure the applicant has a clean driving record.

Once selected, the new candidate's continues with an orientation to the basic responsibilities of the position, including fares, paperwork, radio operation, mechanical inspection, etc. Following this orientation, drivers continue their training through the use of FLI Learning Systems Inc. Driver Safety Training Program. Consisting of interactive video and a 30-page booklet, the driver studies the material and answers questions throughout the session. Segments of this training program are also used for refresher courses for experienced drivers. A few of the major topics covered in this professional training course include:

- Anticipating dangerous situations and avoiding them;
- Proper following distances and stopping distances;
- Driving in inclement weather;
- Effective techniques to backing up;
- Providing service to special needs passengers;
- Customer sensitivity training;
- Ways to reduce the threat of the "other driver" (defensive driving).

To insure involvement, students are required to respond to questions throughout the learning experience.

Drivers of sedans are then put into active, hands-on training, riding with an experienced driver to learn the ropes of being a Courtesy Cab operator. Following this exercise, the driver then reverses roles, driving the vehicle under the tutelage of an experienced driver. Throughout the process, the new driver and the driver trainer interact constantly, discussing questions, challenges, things done well, and areas for improvement. Dispatch staff pay special attention to new hires to insure they receive the support they need, and to resolve any potential training challenges.

Drivers of wheelchair-equipped vehicles receive additional training to those of metered sedans. The importance of learning proper procedures for wheelchair securement is highly emphasized. Owner Richard Camperud and long-time driver Juan Vasquez serve as the in-house driver trainers, bringing years of behind the wheel experience to augment the FLI videos. Mr. Vasquez is a Red Cross Certified CPR and First Aid Instructor, and provides that training (and updates) to all Courtesy Cab vehicle operators.

Each driver, regardless of vehicle design, is taught the essentials of quality customer service, with a special focus on proper techniques in assisting those with physical or mental challenges such as frailty, dementia, visual impairment, hearing loss, or speech impediments.

All drivers operating records are inspected daily by office staff, and corrections to mistakes are addressed prior to the beginning of the driver's next shift.

The use of the interactive videos and in-house drivers facilitates ongoing training in a manner that fits the 24/7 operation of a taxi company. Rather than attempting the impossible task of scheduling extra drivers to cover shifts at all hours of the day and days of the week, the videos allow for easy scheduling of continuous driver training. Each driver can take and complete their training course at a time

that guarantees their participation. Consequently, drivers don't "slip through the cracks" and miss refresher training courses.

The effectiveness of these training sessions is proven by Courtesy's long-standing safety record and high-level of customer satisfaction. Additionally, customized training is provided to any driver who is struggling with a particular aspect of service, based on feedback from dispatchers, other drivers, or customers. However, this is rarely the case, thanks to the experienced and skilled staff of drivers currently employed.

Dispatch training is overseen by owner Richard Camperud and Office Manager Maria Ochoa. Using a hands-on, side-by-side format, dispatchers are trained as thoroughly as drivers. Call taking, customer service, emergency procedures, emergency contacts, maintenance contacts, vendor phone numbers, daily log in and log out procedures, etc., are all explained and reviewed as part of the new dispatcher's training package. "New" dispatcher is a bit misleading, as dispatchers are always selected from the existing fleet of drivers. The experience drivers have on the road is essential to the dispatch position, and assures smooth operations and complete knowledge of the Courtesy Cab operation.

During all operations, the owner operators are available by cell phone, if not physically present in the office. All staff is encouraged to contact the owners in the occurrence of emergencies or any issue they feel additional assistance is needed for.

All training incorporates the detail necessary to provide staff the skills needed to adequately fulfill the responsibilities associated with the provision of supplemental paratransit services as described in the METRO RFP. Training will consist of all requirements mentioned in this proposal, in addition to any other requirements in the METRO RFP that apply to the work assigned to Courtesy Cab.

None of the service provided under this contract will be delivered through the use of subcontractors unless agreed to by METRO in advance of the subcontracting. No use of subcontractors is anticipated at the time of this submission.

Courtesy Cab assures compliance with the management, reporting, testing, insurance, and safety requirements of this RFP and its various attachments by the submission of this proposal. Certificates of Insurance naming METRO as an additional insured will be provided with the execution of the contract.

Facilities and Equipment

Courtesy Cab offices are housed at 149 Walker St., Watsonville, conveniently located in the middle of our service area. The site's close proximity to downtown Watsonville as an ideal starting point for our drivers, allowing minimal "dead-head" time to their first pickup of the day. When not in use, vehicles are stored in a fenced, secure facility. Operating 24 hours a day, seven days a week, staff is always on site, virtually eliminating the problem of vandalism. METRO vehicles provided under this contract will be parked onsite when not in operation.

Dispatch, scheduling, and business operations are centered in this one location, providing easy proximity for details or questions about service.

Courtesy Cab operates a multi-line phone system; insuring clients don't receive busy signals when contacting our offices. Courtesy Cab dispatches its rides through a manual system. The limited number of pre-scheduled trips renders automation of this function unnecessary. Pre-scheduled trips such as those contracted by METRO will be dispatched to the driver via the same schedule issued by METRO.

Courtesy Cab's fleet of 15 vehicles (including wheelchair lift-equipped vans) is not proposed for use in the delivery of service under this contract, and is therefore not attached. We do feel it's important for reviewers of this RFP to be aware of the size of the Courtesy Cab fleet, so as to be confident of Courtesy Cab's experience in fleet management and vehicle maintenance.

Courtesy Cab's vehicle maintenance system will follow the guidelines outlined in the METRO RFP. Copies of the vehicle maintenance forms to be used are included as **attachment #2**.

Dispatch System

All Courtesy Cab vehicles are radio dispatched using Nextel radios during all hours of operation. Drivers also carry cell phones as additional communication devices should longer or confidential conversations be needed. Dispatchers are on duty 24 hours per day, 7 days per week, 365 days per year. Owner Richard Camperud is available via cell phone at all times when not present in the office. As described elsewhere in this proposal, rides assigned to dedicated vehicles will operate using the manifest provided by METRO. Other rides will be scheduled and dispatched by the most effective means available, as determined by the Courtesy Cab dispatcher on duty. In no case shall the ride times, pickups, equipment or drivers utilized be inconsistent with the requirements of this contract.

Drivers will confirm the completion of their trip with Courtesy Cab dispatch via radio, informing the dispatcher of their present location and availability for additional assignments.

METRO schedules can be faxed directly to the Courtesy Cab office, or hand-delivered, whichever METRO prefers. Phone confirmation will be provided upon receipt of a schedule. Courtesy Cab will review the schedule prior to confirming its receipt and raise any questions about incomplete or confusing information received.

Service Startup

Courtesy Cab has previously provided ADA Paratransit services under contract with Food & Nutrition Services/Community Bridges from 1992 - 2004. Since that time, Courtesy Cab has continued to provide service to disabled clients through a variety of service contracts in addition to private paying members of the public.

Our extensive experience in this field makes service start up a simple and easy accomplishment. Once the contract is awarded, we anticipate key staff meeting with METRO to review the contents of the contract, with an emphasis on reporting documentation. Our belief is that the vast majority, if not all, of these reports are items we are already tracking for our current ADA Paratransit services.

No additional start-up costs are needed. Our operation is ready to run upon execution of a contract and receipt and inspection of METRO vehicles.

Service Eligibility and Service Area

Courtesy Cab operates metered taxi vehicles throughout the incorporated cities of Watsonville, Capitola, and Scotts Valley, as well as the unincorporated area of the County of Santa Cruz and northern portions of Monterey County. Drivers and dispatchers are familiar with all of these regions, ensuring our passengers receive prompt service and the shortest possible drive times.

Contracted service utilizing non-metered vehicles is eligible for operation anywhere within the tri-county area (Santa Cruz, Monterey and San Benito) and beyond. Courtesy Cab regularly serves the southern extremes of METRO's ADA service area, including Pajaro, Aromas, and North Monterey County.

Passengers who are identified as monolingual Spanish speakers will be pleased that 100% of Courtesy Cab's drivers are bilingual in English and Spanish. Dispatch staff provides phone support in both languages as well.

Our training for new hires detailed previously highlights the importance of providing special care when transporting and communicating with mobility impaired and limited-speaking passengers. Drivers operating dedicated ParaCruz vehicles will receive additional training in this area. Ongoing training components insure drivers are “refreshed” on items of importance.

Data, Records, and Reports

Besides submitting monthly billings as described in the RFP, Courtesy Cab shall track daily records of trips performed by the end of the following business day at 5 p.m. This report will include scheduled pick up time; negotiated pick up time (should there be any negotiated changes), actual pickup time; estimated pick-up time (should it differ from scheduled or negotiated pick up time); appointment time (provided METRO has provided this information); actual drop-off time; total number of riders, companions, PCA's; no-shows, and cancellations. Under the operating parameters described, it is expected that cancellation calls will be received by METRO and forwarded to Courtesy Cab. However, such cancellations shall be noted. Driver trip logs for dedicated vehicles shall be provided. Legal requirements prohibit COURTESY CAB from providing driver trip logs for vehicles transporting non-METRO clients.

Accidents shall be reported by the end of the business day on which they occur, provided METRO staff are present to receive such reports. In the absence of METRO staff, accident reports shall be submitted within three hours of the start of METRO staff hours, unless another earlier time can be negotiated and agreed to by METRO.

Driver lists shall be updated monthly.

Total ParaCruz vehicle revenue hours, revenue miles, and peak number of vehicles used in service shall be reported monthly.

All reports shall be provided on the METRO-supplied form, thereby guaranteeing METRO that the correct information will be gathered by the provider of service. Details of these reporting forms will be reviewed by METRO and Courtesy Cab as part of the execution and performance of contracted service.

MANAGEMENT PROPOSAL

Experience

Courtesy Cab has been providing demand-response services in Santa Cruz County since 1989.

Courtesy Cab has been a leader in wheelchair accessible taxi service and public-private partnerships since its inception. Courtesy Cab's on-time performance for ADA service subcontracted through Community Bridges exceeded that of any other subcontractor, and was higher than that currently being performed by Para Cruz (in comparison with METRO Board reports).

Richard Camperud's ownership style is a no-nonsense approach to providing quality customer service and on-time performance. Staff who meet this goal are treated with respect and support; those unable to provide high quality service are asked to seek employment elsewhere. Courtesy Cab's loyal base of private pay customers will confirm the company's commitment to quality.

Organization & Key Personnel

Owner Richard Camperud first began working at Courtesy Cab in 1992, and bought the company in 1994. He has performed all aspects of operations, including driving vehicles, dispatching, driver and dispatch training, contract negotiation, vehicle maintenance, fleet purchase, hiring of staff, etc. Most importantly, Mr. Camperud sets the high standard of customer service for which Courtesy Cab is known through his commitment to on-time performance and a quality, courteous ride in a clean vehicle.

Mr. Camperud has always worked in fields related to customer service, dating back to his mid-teens. His previous experience working with the public includes over the counter sales and vehicle delivery driving. Each of these roles required the ability to deal with unexpected situations and respond to customer needs in a real-time, one-on-one environment.

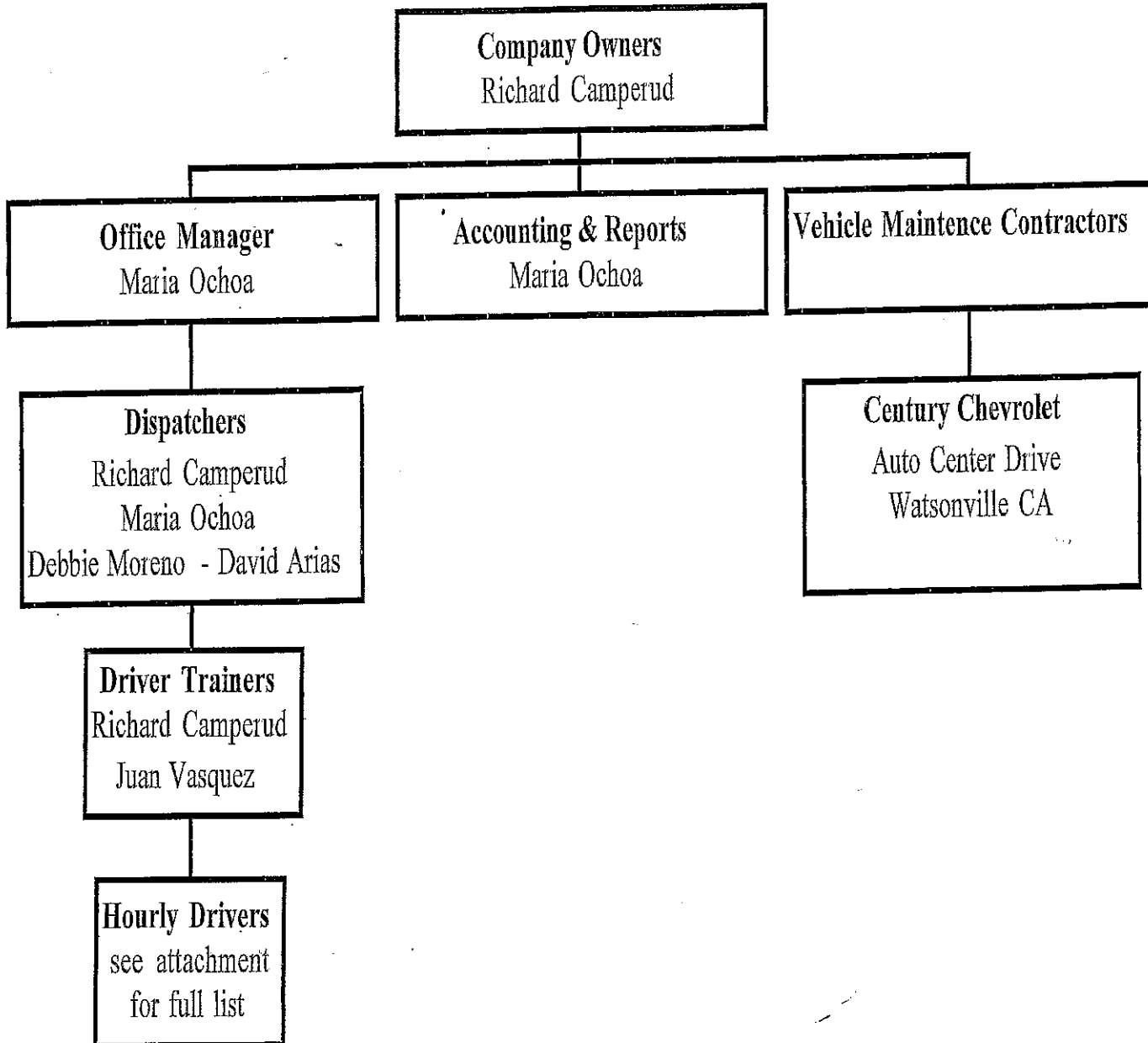
Lead Dispatcher Office Manager Maria Ochoa has 10 years experience with Courtesy Cab. Trained by owner Richard Camperud and Courtesy Cab's founder Stella Martinez, Ms. Ochoa now has many years of hands on experience in emergency response, customer service, training dispatchers, complaint resolution and overall management of the daily operations of Courtesy Cab. This real-life experience makes her more than capable of handling any situations that occur during daily operations.

It is impossible to list the percent of time each individual will spend exclusively on this contract, as the RFP does not quantify the amount of service to be contracted. However, METRO can be confident Courtesy Cab will employ adequate employees to complete all aspects of this proposal in a timely, efficient, and courteous manner. Courtesy Cab will communicate directly and immediately with METRO staff should any delay in service be anticipated.

Professional References

A list of professional references from current or past customers including contact information is included as **attachment #3** to this proposal.

Courtesy Cab Organization Chart



Attachment # 1

Driver List

| First Name | Last name | DOH | CDL# | Expire Date | DOSenTr | CPR Expire | First Aid Expire | DDT | Drug/Alcohol | Permit Exp |
|------------|------------|------------|----------|-------------|------------|------------|------------------|------------|--------------|------------|
| Jorge | Villanueva | 8/12/2002 | A7456105 | 03/14/2010 | 08/05/2005 | 6/29/2007 | 6/29/2008 | 11/20/2005 | 11/1/2006 | 11/13/2007 |
| Selso | Gonzales | 6/6/1999 | C1305441 | 06/26/2010 | 5/30/12005 | 6/28/2007 | 6/28/2008 | 11/29/2005 | 10/22/2006 | 11/26/2007 |
| Jose | Molina | 7/22/1998 | B3512163 | 11/29/2008 | 07/15/2006 | 6/29/2007 | 6/29/2008 | 11/29/2005 | 12/1/2006 | 09/30/2007 |
| Richard | Camperud | 2/2/1995 | C2772667 | 09/16/2009 | 09/16/2002 | 6/29/2007 | 6/29/2008 | 11/18/2002 | 10/11/2006 | n/a |
| Sidronio | Olvera | 8/21/2002 | C6896661 | 07/11/2007 | 07/18/2005 | 6/29/2007 | 6/29/2008 | 2/2/2003 | 3/9/2006 | 09/15/2007 |
| Cesar | Olvera | 5/30/1999 | B5413294 | 02/25/2008 | 07/18/2005 | 6/28/2007 | 6/28/2008 | 3/5/2006 | 3/19/2007 | 11/13/2007 |
| Juan | Vazquez | 1/29/1997 | A8629508 | 10/07/2008 | 12/19/2006 | 6/28/2007 | 6/28/2008 | 11/29/2002 | 2/8/2006 | 10/16/2007 |
| Jose | Mata | 11/11/2001 | B3512221 | 01/29/2010 | 01/20/2006 | 6/28/2007 | 6/28/2008 | 1/2/2006 | 9/25/2006 | 10/12/2007 |
| Andres | Escareno | 5/22/2002 | B3615958 | 10/15/2007 | 05/21/2006 | 6/22/2007 | 6/22/2008 | 1/29/2006 | 3/8/2007 | 10/25/2007 |
| Jorge | Venegas | 5/30/1999 | A7457206 | 08/13/2008 | 05/21/2006 | 6/22/2007 | 6/22/2008 | 6/22/2006 | 3/7/2007 | 10/31/2007 |

Vendor
CCab

Updated/

Attachment # 2

Vehicle Maintenance Forms

DRIVERS REQUEST FOR VEHICLE REPAIRS

VEHICLE NO. _____ DATE _____

(Check Defective Condition)

- | | | |
|--|---|---|
| <input type="checkbox"/> BATTERY / WATER | <input type="checkbox"/> HEATER & DEFROSTER | <input type="checkbox"/> STEERING |
| <input type="checkbox"/> BRAKES | <input type="checkbox"/> HORN | <input type="checkbox"/> TIRES |
| <input type="checkbox"/> ENGINE OIL | <input type="checkbox"/> INSTRUMENTS | <input type="checkbox"/> WHEELS |
| <input type="checkbox"/> DIRECTIONAL SIGNALS | <input type="checkbox"/> LIGHTS & REFLECTIONS | <input type="checkbox"/> TRANSMISSION |
| <input type="checkbox"/> ENGINE PERFORMANCE | <input type="checkbox"/> MIRROR | <input type="checkbox"/> WINDSHIELD WIPER |
| <input type="checkbox"/> METER | <input type="checkbox"/> MUFFLER & EXHAUST | <input type="checkbox"/> WINDSHIELD FLUID |
| <input type="checkbox"/> GENERATOR & STARTER | <input type="checkbox"/> RADIATOR & WATER | |

Remarks

Exterior Damage

Interior Damage

Signed
(Driver)

MECHANIC'S REPORT REPAIRS MADE

Date _____ Mechanic _____ Hrs. _____

Parts used

Parts ordered / Where?

WATSONVILLE TRANSPORTATION INC.

Driver Vehicle Inspection Report

149 WALKER ST. - WATSONVILLE, CA 95076 (831) 761-3122

| Van No. | Date | Driver's Name | Start Miles | Start Time | End Miles | End Time |
|---------|------|---------------|-------------|------------|-----------|----------|
| | | | | | | |

✓ = Satisfactory (working properly); U = Unsatisfactory (not working properly)

| PRE POST | PRE POST |
|---|--|
| SUSPENSION & TIRES | INTERIOR |
| Tire tread depth 1/8" minimum | Gauges operational |
| Tire sidewall and tread wear OK | Seats & cushions secure |
| Lug nuts tight - no rust or damage | Seat belts operational & secure |
| ENGINE COMPARTMENT | Two way radio complete & operational |
| Oil at the proper level | Windshield wipers & washer operational |
| Power steering fluid at proper level | Horn operational |
| Transmission fluid at proper level | Passenger door operational & complete |
| Brake fluid at proper level | Registration & proof of insurance present |
| Radiator coolant at proper level | Wheelchair tie-downs present |
| VEHICLE GLASS & LIGHTING | STEERING SYSTEM |
| Mirrors are complete & good condition | Steering system operating properly |
| Glass is free of breakage or cracks | Gear shift mechanism working properly |
| Emergency windows in good condition | BRAKES |
| Headlights operational (hi & low beam) | Brakes work properly & pedal feels good |
| Clearance lights complete & operational | Emergency brake works properly |
| Brake lights complete & operational | Interlock system functioning properly |
| Turn signals complete & operational | SAFETY ITEMS |
| Back up lights operational | 1st aid kit, fire ext. & triangle flares present |
| Back up alarm operational | LIFT |
| Emergency flashers operational | Lift free from leakage |
| Interior lights complete & operational | Lift operating properly electrically & manually |
| ENVIRONMENTAL CONTROLS | Cycle lift fully one time before leaving yard |
| Front air condition temperature | CLEANLINESS |
| Rear air condition temperature | Exterior clean |
| Heater & defroster working properly | Interior clean |
| Mileage next PMS is due: | Quarts of oil added: Fuel Gauge: E — 1/2 — F |

Below, describe complaint completely noting everything happening at time of problem.

Items in **BOLD** must be reviewed by a Supervisor immediately if marked UNSATISFACTORY. I declare that the above inspection was conducted properly and that the vehicle has no safety defects.

Driver's Signature (PRE INSPECTION): _____

End of Shift: There have been no incidents or accidents with this vehicle while in my control since the above signed inspection, unless noted in writing and attached to this report.

Driver's Signature (POST INSPECTION): _____

Supervisor Authorization: After reviewing the above noted discrepancy and visually inspecting the vehicle, I have determined the discrepancy is NOT safety related and I hereby authorize this vehicle to be used for service.

- Acting Supervisor's Signature: _____
- Mechanic's Signature: _____
- Shop Foreman's Signature: _____
- Reviewed
 - Noted for repair
 - Could not duplicate problem
 - Repaired

Attachment 3

Courtesy Cab – Professional References

Community Bridges

236 Santa Cruz Ave.,

Aptos, CA 95003

Contact: Sam Storey, CEO (831) 688-8840

Central Coast Alliance for Health

1600 Green Hills Rd, Suite 101,

Scotts Valley, CA 95066

Contact: Angel Milhouse (831) 430-5531

Watsonville Community Hospital

75 Nielsen Way

Watsonville, CA 95076

Contact: Rondi Hansen (831) 724-4147

Satellite Dialysis Center

40 Penny Lane, Suite 1

Watsonville, CA 95076

Phone Number: (831) 728-8855

COST PROPOSAL

Dedicated Service Hour Rate (METRO Vehicles)

Rates for 4 hour dedicated vehicles provided by METRO will be \$46 per hour at the onset of this contract.

Dedicated service hour vehicle rates will be increased by 5% (to address anticipated inflation, fuel increases, etc.) at each one-year anniversary of this contract.

Dedicated Service Hour Rate (Non-Metro Vehicles)

At this time, Courtesy Cab is not submitting a proposal for hourly dedicated service in non-Metro Vehicles. Without a minimum guarantee of service, Courtesy Cab cannot invest in additional vehicles which meet METRO's standard for this contract.

Single Ride Metered Rate

Single rides using metered taxi are not a component of this proposal. Without a minimum guarantee of service, Courtesy Cab cannot invest in additional vehicles which meet METRO's standard for this contract.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: April 27, 2007
TO: Board of Directors
FROM: Tom Stickel, Manager of Maintenance
SUBJECT: CONSIDERATION OF REJECTING ALL BIDS RECEIVED FOR SUPPLY AND DELIVERY OF LIQUEFIED NATURAL GAS AND AUTHORIZE STAFF TO REQUEST NEW BIDS

I. RECOMMENDED ACTION

District Staff recommends that the Board of Directors reject all bids received for the supply and delivery of liquefied natural gas (LNG) and direct the Purchasing Agent to process a new invitation for bids with revised specifications.

II. SUMMARY OF ISSUES

- A competitive procurement was conducted to solicit bids from qualified firms for the supply and delivery of LNG.
- Three firms submitted bids for the District's review.
- District staff reviewed and evaluated the bids.
- Protests were filed from two of the bidders on the potential award to the apparent lowest responsive bid received.
- The evaluation committee is recommending that the Board of Directors reject all bids received and direct the Purchasing Agent to process a new invitation to bid with revised specifications.

III. DISCUSSION

With the impending completion of the MetroBase Fueling Facility, District will require the supply and delivery of LNG. On January 24, 2007, District Invitation for Bid No. 06-13 was mailed and was legally advertised. On February 16, 2007, bids were received and opened from three firms. District staff reviewed and evaluated the bids.

District received protests from two bidders on the District's intention to award a contract to the lowest responsive bidder. During the investigation of the protests, the apparent low bidder did not meet the District's requirements for identifying a firm supply of LNG. Further, District staff concluded that there were specifications and requirements that required further definition and additional specifications that should be included in any resulting contract. Since this is a five (5)

201

year supply contract, it would be of benefit to the District to reject all bids received and re-bid this project with revised specifications.

As provided in the terms and conditions of the IFB, the District Board of Directors may accept or reject any or all bids received for any reason. District staff is recommending that the Board of Directors reject all bids received and direct the Purchasing Agent to reissue a new Invitation for Bids with revised bid specifications.

IV. FINANCIAL CONSIDERATIONS

None

V. ATTACHMENTS

None

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: April 27, 2007

TO: Board of Directors

FROM: Tom Stickel, Manager of Maintenance

SUBJECT: REQUEST AUTHORIZATION TO MODIFY THE CONTRACT FOR THE PURCHASE OF ONE EACH TYPE 7 PARATRANSIT MEDIUM DUTY BUS

I. RECOMMENDED ACTION

District staff is recommending that the Board of Directors authorize the General Manager to execute a contract amendment for the purchase of one each type 7 Paratransit medium duty bus with Creative Bus Sales, Inc., to reflect an increase in cost.

II. SUMMARY OF ISSUES

- The District has funding for the purchase of one medium duty bus and two raised top transporter vans for use by the ParaCruz program.
- The State of California, Department of General Services has issued cooperative vehicle procurement contracts for the purchase of these type of vehicles.
- On March 23, 2007, the Board of Directors took action to authorize the General Manager to use the State of California, Department of General Services contract for the purchase of one medium duty bus and two raised top transporter vans for use by the ParaCruz program from Creative Bus Sales, Inc.
- After issuance of a District purchase order for the type 7 Paratransit medium duty bus, District staff was contacted by Creative Bus Sales, Inc., that their quotation did not include floor modifications and five fold-away seats. The revised quotation will result in a price increase for the type 7 Paratransit bus.
- District staff is recommending that the Board of Directors authorize the General Manager to amend the contract for the purchase of the type 7 bus to reflect the increased cost.

III. DISCUSSION

At the March 23, 2007 meeting the Board of Directors approved the staff recommendation to authorize the purchase of one each type 7 medium duty Paratransit bus, and two each raised top transporter vans from Creative Bus Sales, Inc. After purchase orders were processed, District staff were contacted by Creative Bus Sales, Inc., and informed of a quotation error and a request to increase the unit price of the type 7 bus. The reason given for the price increase request was

that a raised floor option cost, and five foldaway seat costs were unintentionally left out of the original price quote. The revised quotation will increase the price of the type 7 bus by \$6,059.08, to a new total amount of \$106,859.75.

It is recommended that the Board of Directors approve the price increase and authorize the General Manager to amend the purchase order for the purchase of one each type 7 medium duty Paratransit bus from Creative Bus Sales, Inc. for a total amount not to exceed \$106,859.75.

IV. FINANCIAL CONSIDERATIONS

Funding for this contract is contained in the Capital Improvement Program under District Funded Projects.

V. ATTACHMENTS

Attachment A: Revised Cost Summary for Paratransit Bus with Options required

Attachment A



Creative Bus Sales, Inc.

www.creativebussales.com
(800) 326-2877 Toll Free (909) 465-5529 - Fax



El Dorado Bus Sales

www.eldoradobussales.com
(888) 353 6287 - Toll Free (510) 728-7800 - Fax

State Contract #1-03-23-16

Bus Handicapped Medium-Duty

Vendor ID#: 235927

- Add On Order

- 5310 Order

| | | | | |
|------------------------------|--|----------------------------|--|--------------------|
| Vehicle Type: | Type 7 - Medium Duty Bus | Commodity #: | 2310-515-4439-9 | |
| Contact: | Tom Stickel | Type of Lift: | <input type="checkbox"/> Braun <input checked="" type="checkbox"/> Ricon | |
| Agency: | Santa Cruz Metropolitan Transit | Lift Location: | <input checked="" type="checkbox"/> Front <input type="checkbox"/> Rear | |
| Address: | 110 Vernon Street, Suite B | Seat Material: | <input type="checkbox"/> Vinyl <input type="checkbox"/> Cloth <input type="checkbox"/> Repel | |
| City, State, Zip: | Santa Cruz, CA 95060 | Seat Color: | | |
| Phone: | 831-469-1954 | Paint Stripes: | <input type="checkbox"/> Yes (2) 5" <input type="checkbox"/> No <input type="checkbox"/> Other | |
| Fax: | 831-469-1958 | Stripe Color: | Custom | |
| E-Mail: | | Contract Equipment: | | |
| Qty. Per Vehicle | Description | Price | Ext. Price | ADA |
| 1 | Type 7 - Aero Elite 270 | \$79,190.00 | \$79,190.00 | \$7,500.00 |
| 1 | <Credit> - 8.1 Liter Gasoline Engine (325 hp) | -\$3,385.00 | -\$3,385.00 | |
| 1 | <Credit> - PA w/Hand Held Microphone | \$0.00 | \$0.00 | \$0.00 |
| 1 | <Credit> - Passenger Signal - Pull Cord | -\$70.00 | -\$70.00 | |
| 1 | <Credit> - Passenger Signal - Pull Cord W/C (Each) | -\$65.00 | -\$65.00 | |
| 1 | <Credit> - Passenger Signal - Stop Request Sign | -\$45.00 | -\$45.00 | |
| 1 | <Credit> - Radio - PA External Speaker | -\$10.00 | -\$10.00 | -\$10.00 |
| 1 | <Credit> - To RCA Floor Rubber - Gray | \$0.00 | \$0.00 | |
| 1 | <Credit> - Roller Signs Front and Side | -\$500.00 | -\$500.00 | |
| 10 | <Credit> - Seat - Freedman Double Foldaway Seat | -\$85.00 | -\$850.00 | -\$850.00 |
| 1 | Telma Brake Retarder | \$7,950.00 | \$7,950.00 | |
| 1 | Chassis - Shop and Service Manuals | \$460.00 | \$460.00 | |
| 1 | (Q) Decals and Lettering | \$2,100.00 | \$2,100.00 | |
| 1 | Door - Access Fuel Sending Unit | \$190.00 | \$190.00 | |
| 1 | Door - Locking Fuel Door | \$250.00 | \$250.00 | |
| 1 | Driver - Coat Hook | \$55.00 | \$55.00 | |
| 1 | (Q) HELP Bumper - Front | \$1,450.00 | \$1,450.00 | |
| 1 | Raised Flat Floor | \$2,250.00 | \$2,250.00 | \$2,250.00 |
| 5 | Seat - Freedman Double Foldaway Seat | \$1,125.00 | \$5,625.00 | \$5,625.00 |
| 5 | Underseat - QRTSC Storage (Foldaway Only) | \$125.00 | \$625.00 | |
| 3 | Wheelchair Position (QRT Slide & Click) - Additional | \$795.00 | \$2,385.00 | \$2,385.00 |
| | | | Total | ADA |
| | | | \$97,605.00 | \$16,900.00 |
| | | Non-Taxable | \$16,900.00 | |
| | | Taxable Amount | \$80,705.00 | |
| Santa Cruz* | | Tax Total | \$6,859.93 | 8.500% |
| | | Sub-Total | \$104,464.93 | |
| | | Procurement Fee 1.98% | \$1,932.58 | |
| | | Tire Fee | \$12.25 | |
| Delivery is F O B. Chino, CA | | Delivery (\$2.00 Per Mile) | \$450.00 | |
| | | Number of Units | 1 | |
| | | Final Total | \$106,859.75 | |

21.a1

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: April 27, 2007

TO: Board of Directors

FROM: Robyn D. Slater, Human Resources Manager

SUBJECT: **CONSIDERATION TO REMOVE THE EXISTING CLASS SPECIFICATION ENTITLED PAYROLL AND BENEFITS COORDINATOR TO CREATE THE NEW CLASS SPECIFICATION ENTITLED FINANCIAL ANALYST**

I. RECOMMENDED ACTION

It is recommended that the Board of Directors approve the removal of the Payroll and Benefits Coordinator class specification to create the new Financial Analyst class specification and hourly salary range.

II. SUMMARY OF ISSUES

- In December 2006 the incumbent Payroll and Benefits Coordinator retired after working 30 years.
- An internal candidate was promoted to the Payroll and Benefits Coordinator position, however, that individual voluntarily demoted after a short time. No change was made to the position's class specification at that time.
- In January 2007 a new Finance Manager was hired.
- After reviewing the needs of the department, and with the Payroll and Benefits Coordinator position vacant, a decision was made to create a new class specification to more accurately reflect the needs of the Finance department.
- The new classification will be allocated to the SEA chapter of SEIU local 521.
- Representatives of SEIU have reviewed the new class specification and hourly salary range and concur with the recommendation.

III. DISCUSSION

The Human Resources Department, in collaboration with the Finance Manager, has developed a new class specification to provide for the skills and task requirements now needed in the Finance department. The Payroll and Benefits Coordinator class specification from 1990 included many tasks that have been performed by other SEIU represented positions for many years. The use of Qqest, an electronic payroll system, combined with Excel timecards and spreadsheets have streamlined the payroll process and greatly improved the accuracy (in the past almost every calculation was done manually).

The newly created class specification of Financial Analyst will still be responsible for maintaining the payroll system and resolving any payroll issues. The majority of the tasks performed by the Financial Analyst will be investigating information needed for financial analysis, creating financial projections, and creating reports used by the Finance Department to develop the budget. In the past, the Assistant General Manager has been assisting the Finance Department in creating spreadsheets for projections needed when creating the budget. The Human Resources Department with input from the Finance Department has determined this position meets the Fair Labor Standard Acts definition of exempt.

The Human Resources department contacted local government entities (Santa Cruz City and County, Scotts Valley, Capitola and Watsonville) and transit agencies (VTA, MST) to see if they had similar positions to determine an appropriate salary range.

Human Resources met with the local representative for SEIU Local 521 and obtained concurrence of the new class specifications and recommended salary range.

IV. FINANCIAL CONSIDERATIONS

The recommended hourly salary range for the newly created class specification is \$24.14 - \$30.81. This position would also receive 40 hours of administrative leave.

V. ATTACHMENTS

Attachment A: Financial Analyst class specification

Attachment B: Salary range

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

FINANCIAL ANALYST

Attachment **A**

DEFINITION

Under general supervision perform complex and detailed analytical work as required for the finance department. Provide research, analysis, and projections on trends relating to budget, project, financial, and accounting issues. Responsible for Santa Cruz Metropolitan Transit District (METRO) timekeeping and related activities.

DISTINGUISHING CHARACTERISTICS

EXAMPLES OF DUTIES:

- Review, analyze, and report on budget issues.
- Prepare statistical, analytical reports and summaries relating to financial issues.
- Review, revise, and develop work procedures and processes.
- Develop and conduct research projects related to costs, expenditures, revenues, taxes and conduct special projects.
- Retrieve, review and develop information for management reports from various sources, including multiple software systems.
- Interpret and apply contract provisions for labor contracts, management compensation plan, local, state and federal regulations as required.
- Develop, implement and maintain record keeping systems for financial, payroll and tax related information.
- Coordinate the collection of financial and payroll information from all METRO departments.
- Prepare invoices and trust warrants for Union related payments and charges.
- Maintain and monitor records and reports.
- Provide information to management and employees on a variety of financial and accounting topics, and resolve discrepancies.
- Review accuracy and audit electronic timekeeping system and download information to ensure timely and accurate transmittal to County.
- Establish and maintain effective work relationships with all METRO staff, and designated County staff.
- Other duties as assigned to meet Finance Department needs.

EMPLOYMENT STANDARDS

Knowledge of:

- Financial and accounting practices, methods, records, forms, techniques and software systems.
- Budget preparation, analysis, practices, and reporting.
- Financial analysis, troubleshooting, and report writing.
- Financial and statistical reporting and financial statement preparation.
- Payroll practices, laws, record keeping and reporting.
- Automated payroll and time keeping systems.
- Computer systems and programs, including advanced Excel, Word, and PowerPoint.
- Relational databases, Access preferred.

22.a1

- Standard office procedures and practices.

Ability to:

- Recognize, resolve and reconcile financial discrepancies.
- Perform a wide variety of accounting and financial analysis with general supervision.
- Prepare statistical reports and summaries.
- Understand and apply payroll rules and regulations according to FLSA rules, and contracts.
- Organize and determine priorities, and exercise good time management.
- Work independently with excellent attention to detail.
- Communicate clearly and effectively, both orally and in writing.
- Work effectively as a team member, and demonstrate excellent interpersonal skills.
- Operate a computer, 10-key calculator by touch and use standard office equipment.

Training and Experience

Combination of training and experience equivalent to:
Bachelor's degree in finance, accounting, or business,

AND

2 years experience in financial analysis and automated payroll timekeeping systems.

April 27, 2007

22.a2

Salary Matrix Comparison

Attachment **B**

to June 27, 2007

| Class Specification | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Step 6 |
|----------------------------------|--------|--------|--------|--------|--------|--------|
| Payroll and Benefits Coordinator | 20.37 | 21.4 | 22.46 | 23.58 | 24.78 | 26.02 |
| Financial Analyst | 24.14 | 25.35 | 26.63 | 27.95 | 29.34 | 30.81 |

June 28, 2007 - June 25, 2008

| Class Specification | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Step 6 |
|----------------------------------|----------|----------|----------|----------|----------|----------|
| Payroll and Benefits Coordinator | 20.78 | 21.83 | 22.91 | 24.05 | 25.28 | 26.54 |
| Financial Analyst | 24.62 | 25.86 | 27.16 | 28.51 | 29.93 | 31.43 |
| | 0.019884 | 0.020118 | 0.019902 | 0.020036 | 0.020109 | 0.020123 |

June 26, 2008 to contract expiration

| Class Specification | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Step 6 |
|----------------------------------|----------|----------|---------|----------|----------|----------|
| Payroll and Benefits Coordinator | 21.19 | 22.26 | 23.37 | 24.53 | 25.78 | 27.07 |
| Financial Analyst | 25.12 | 26.37 | 27.71 | 29.08 | 30.53 | 32.05 |
| | 0.020309 | 0.019722 | 0.02025 | 0.019993 | 0.020047 | 0.019726 |

22.61

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: April 27, 2007

TO: Board of Directors

FROM: Leslie R. White, General Manager

SUBJECT: CONSIDERATION OF AMENDING THE MAC BYLAWS TO:

- 1) MODIFY SECTION 5.4 TO IDENTIFY A QUORUM FOR A MEETING AS A MAJORITY OF THE FILLED MEMBERSHIP POSITIONS WITH 4 MEMBERS BEING THE MINIMUM NUMBER FOR A QUORUM;**
- 2) MODIFY SECTION 3.1 TO PROVIDE THAT EACH MAC MEMBER THAT ATTENDS THE MONTHLY MEETING WILL BE PROVIDED WITH 3 SYSTEM-WIDE DAY PASSES EACH MONTH;**
- 3) MODIFY SECTION 2.2 TO ALLOW THE INSTALLATION OF MAC INFORMATIONAL SIGNS INSIDE OF METRO BUSES AND THE DISTRIBUTION OF AN INFORMATIONAL BROCHURE; AND CONSIDERATION OF HOLDING A JOINT MEETING OF THE BOARD OF DIRECTORS AND THE MAC IN JUNE 2007.**

I. RECOMMENDED ACTION

That the Board of Directors approve the MAC recommendations to amend Sections 5.4, 3.1, and 2.2 of the MAC Bylaws to modify quorum requirements, provide day passes to committee Members, allow the placement of signs in buses, and allow the distribution of informational brochures and the Board of Directors instruct staff to schedule a joint Board/MAC meeting for a Workshop Meeting in either June or July 2007.

II. SUMMARY OF ISSUES

- On December 19, 2003 the Board of Directors approved the creation and structure of the Metro Advisory Committee (MAC).
- Each member of the Board nominated the name of an individual that they wanted to appoint for membership on the MAC.
- The MAC has been meeting regularly since its inception.
- Recently consecutive meetings have been cancelled due to a lack of a quorum.
- On Wednesday April 18, 2007 the MAC met to discuss the quorum deficiency issue and to evaluate the impact on the ability of the MAC to provide timely advice on current issues facing METRO.
- On April 18, 2007 the MAC voted to recommend that the Board of Directors amend the current MAC Bylaws to provide that a quorum would consist of a majority of the

filled membership positions, but in no case should the quorum requirement be less than four (4) MAC Members.

- On April 18, 2007 the MAC also voted to recommend that the Board of Directors amend the MAC Bylaws to provide an incentive of three (3) system-wide day passes each month to MAC Members that attend the MAC meetings.
- The Members of the MAC have indicated that they would like to take actions to increase the awareness of the public of their work and meetings. Therefore, on April 18, 2007 the MAC voted to request that the Board of Directors amend Section 2.2 of the MAC Bylaws to allow placement of signs inside of buses and the direct distribution of an informational brochure.
- The Members of the MAC would like to reinforce their connection to the Board of Directors by holding a joint meeting with the Board at one of the Workshop Meetings. The Workshop Meeting where the Wilbur Smith consulting firm presents their draft finding with respect to service needs was suggested as a candidate for the joint meeting.

III. DISCUSSION

On December 19, 2003 the Board of Directors approved the creation, structure, and bylaws of the Metro Advisory Committee (MAC). As the Board of Directors approved the MAC Bylaws The Board of Directors must also approve any amendments to the Bylaws.

The MAC has been meeting regularly since its inception with good attendance. Recently, however, two consecutive meetings have been cancelled due to the lack of a quorum. Part of the quorum problem, results from the existence of two vacancies on the MAC. The Members of the MAC are concerned that the lack of a quorum at the meetings makes it difficult to provide advice to the Board of Directors and METRO staff members on a timely basis.

On Wednesday April 18, 2007 the MAC met to discuss the quorum deficiency issue and to evaluate the impact on the ability of the MAC to provide timely advice on current issues facing METRO. As a result of the discussions, the MAC voted to recommend that the Board of Directors amend the current MAC Bylaws to provide that a quorum would consist of a majority of the filled membership positions, but in no case should the quorum requirement be less than four (4) MAC Members.

In the discussions at the MAC Meeting the Members explored suggestions that could improve attendance and provide an incentive for a quorum of the Members to be present. On April 18, 2007 the MAC also voted to recommend that the Board of Directors amend the MAC Bylaws to provide an incentive of three (3) system-wide day passes each month to MAC Members that attend the MAC meetings

The MAC Members felt that it would be beneficial; if METRO riders and other members of the community were better informed as to the existence of the MAC and received information regarding the work that the MAC does. Therefore, on April 18, 2007, the MAC voted to request that the Board of Directors amend Section 2.2 of the MAC Bylaws to allow placement of signs inside of buses and allow the direct distribution of an informational brochure.

As a part of the discussions regarding the operation of the MAC it was suggested that a closer tie to the Board of Directors might be beneficial. Each Member of the MAC is nominated by one of the Members of the Board of Directors. The Members of the MAC indicated that they would like to reinforce their connection to the Board of Directors by holding a joint meeting with the Board at one of the Workshop Meetings. The Workshop Meeting where the Wilbur Smith consulting firm presents their draft finding with respect to service needs was suggested as a candidate for the joint meeting.

IV. FINANCIAL CONSIDERATIONS

The estimated revenue value of providing three (3) system-wide day passes for each Member of the MAC is \$3168. The cost of producing the signs for the interior of the buses and the informational brochure would be approximately \$350.00. Funds to accommodate these costs are available within the FY 06/07 METRO Operating Budget.

V. ATTACHMENTS

Attachment A: Metro Advisory Committee Bylaws

Attachment B: Proposed amendments to Sections 2.2 and 5.4

Drafted for 9/26/03
Revised for 10/24/03
Revised for 12/19/03
Amended/Adopted 12/19/03
Amended/ Adopted 7/23/04
Amended/ Adopted 6/23/06

BYLAWS FOR THE METRO ADVISORY COMMITTEE

Article I
GENERAL PROVISIONS

§1.1 Purpose

These Bylaws govern the proceedings of the METRO Advisory Committee (MAC), an advisory committee established by the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO).

§1.2 Construction of Bylaws

As used in these Bylaws, "Committee" means the METRO Advisory Committee. These Bylaws shall govern the Committee's proceedings to the extent they are not inconsistent with METRO Regulations or California or United States Statutes. These Bylaws become effective upon approval by the METRO Board of Directors

§1.3 Definitions

- a. As used in these Bylaws, "chair" means the Chair of the Committee.
- b. As used in these Bylaws, "vice chair" means the Vice Chair of the Committee.
- c. As used in these Bylaws "staff" means staff members that are assigned to support the Committee by the METRO Secretary/General Manager.

Article II
DUTIES AND AUTHORITY

§2.1 Duties

It shall be the duty of the Committee to provide advice to the Board of Directors on matters of METRO policy and operations referred to the Committee by the Board or Secretary/General Manager and to perform such additional duties as assigned by the Board. The Committee may also address issues which members or the public raise with respect to the quantity and quality of services provided by METRO.

§2.2 Limitations on Authority

The sole jurisdiction and authority of the Committee is to serve in an advisory capacity to the Board of Directors. It shall not have any authority to take actions that bind METRO or the Board of Directors. Communications by the Committee shall be to and through the Board of Directors. No individual member of the Committee shall be entitled to compensation from METRO and any reimbursement for travel or other expenses shall receive specific prior authorization by the Board of Directors.

Article III
MEMBERSHIP

§3.1 Membership

The Committee shall be composed of 11 members appointed by the Board of Directors as follows:

Each member of the METRO Board of Directors shall nominate 1 individual to serve as members of the METRO Advisory Committee. Appointments to the METRO Advisory Committee shall be made by the METRO Board of Directors.

All members shall be residents of the County of Santa Cruz. When making its appointments, the Board shall strive to balance the membership to reflect the ethnic, gender, and geographic diversity of the County. At least 4 of the individuals appointed to the Committee shall be persons with disabilities as evidenced by possession of a METRO Discount Photo Identification Card. No member of the Board of Directors or other elected public official shall be appointed to the Committee. No employee of METRO or any agency that provides funding to, or contracts with, METRO shall be appointed to the Committee. However, individuals that have been selected to participate on the ADA Appeals Panel, to participate in the Bus Operator Sensitivity Training, or who are employed by the University of California, Santa Cruz in departments other than the Transportation and Parking Services (TAPS), or in the offices that directly supervise

TAPS, shall be exempt from the financial/contracting prohibition for Committee members outlined in this section.

§3.2 Members' Terms

The term of membership of each Committee member shall be two years, commencing with the date of appointment by the METRO Board. Members may be re-appointed for additional terms as approved by the METRO Board of Directors.

§3.3 Absences

If a member accumulates total absences from Committee Meetings of four, without excuse, and two, with excuse, in any twelve-month period, the position shall automatically be declared vacant. The member of the Board of Directors that nominated such Committee member shall be notified of the vacancy so that they can nominate a successor to be appointed to fill the remainder of that Committee member's term.

§3.4 Vacancies

The member of the Board of Directors who nominated the original member shall nominate a replacement candidate to fill a position on the Committee that is declared vacant. The appointment of the replacement member shall be made by the Board of Directors.

Article IV OFFICERS

§4.1 Chair and Vice Chair

The Committee shall elect from its membership a Chair and a Vice Chair at its first meeting of the calendar year, to serve for a one-year term. The chair shall preside at all meetings of the Committee and represent the Committee before the Board of Directors. The Vice Chair shall perform the duties of the Chair when the Chair is absent. In the event of a vacancy in the chair's position, the vice chair shall succeed as chair for the balance of the Chair's term and the Committee shall elect a successor to fill the vacancy in the Vice Chair's position as provided below. In the event of a vacancy in the Vice Chair's position, the Committee shall elect a successor from its membership to fill the Vice Chair's position for the remainder of the vice chair's term.

§4.2 Staff Support

The Secretary/General Manager of METRO shall make arrangements to furnish clerical services to prepare and distribute the Committee's agendas, notices, minutes, correspondence and other materials. The METRO staff assigned to support the committee shall maintain a record of all proceedings of the Committee as required by law and shall perform other support duties to the committee as assigned by the Secretary/General Manager. The minutes of each meeting, when approved by the Committee, shall be transmitted to the METRO Board of Directors.

Article V MEETINGS

§5.1 Regular Meetings

Regular meetings of the Committee shall be held on the third Wednesday of each month. Whenever a regular meeting falls on a holiday observed by METRO, the meeting shall be held on another day or canceled at the direction of the Committee. A rescheduled regular meeting shall be designated a regular meeting.

§5.2 Special Meetings

The Chair may call a special meeting. The meeting shall be called and noticed as provided in Section 5.3 below.

§5.3 Calling and Noticing of Meetings

All meetings shall be called, noticed and conducted in accordance with the applicable provisions of the Ralph M. Brown Act (commencing with Section 54950 of the Government Code). The Secretary/General Manager and METRO Counsel shall be given notice of all meetings.

§5.4 Quorum; Vote

The presence of 6 members shall constitute a quorum for the transaction of business. All official acts of the Committee shall require the affirmative vote of the majority of members present, providing that a quorum is maintained at all times.

§5.5 Thirty Minute Rule

If a quorum has not been established within thirty minutes of the noticed starting time for the meeting the meeting shall be cancelled.

§5.6 Matters Not Listed On the Agenda Requiring Committee Action

Except as provided below, a matter requiring Committee action shall be listed on the posted agenda before the Committee may act upon it. The Committee may take action on items not appearing on the posted agenda under any of the following conditions:

- a. Upon a determination by an affirmative vote of the Committee that an emergency exists, as defined in Section 54956.5 of the Government Code.
- b. Upon a determination by a two-thirds vote of the Committee, or if less than two-thirds of the members are present, a unanimous vote of those members present, there is a need to take immediate action and the need to take action came to the attention of the Committee subsequent to the agenda being posted.

§5.7 Time Limits for Speakers

Each member of the public appearing at a Committee meeting shall be limited to three minutes in his or her presentation, unless the Chair, at his or her discretion, permits further remarks to be made. Any person addressing the Committee may submit written statements, petitions or other documents to complement his or her presentation. Public presentations that have been scheduled prior to the meeting with the Committee Chair shall not be subject to the time limits contained in this section.

§5.8 Impertinence; Disturbance of Meeting

Any person making personal, impertinent or indecorous remarks while addressing the Committee may be barred by the chairperson from further appearance before the Committee at that meeting, unless permission to continue is granted by an affirmative vote of the Committee. The Chair may order any person removed from the Committee meeting who causes a disturbance or interferes with the conduct of the meeting, and the Chair may direct the meeting room cleared when deemed necessary to maintain order.

§5.9 Access to Public Records Distributed at Meeting

Writings which are public records and which are distributed during a Committee meeting shall be made available for public inspection at the meeting if prepared by the METRO staff or a member of the Committee, or after the meeting if prepared by some other person.

Article VI AGENDAS AND MEETING NOTICES

§6.1 Agenda Format

The agenda shall specify the starting time and location of the meeting and shall contain a brief general description of each item of business to be transacted or discussed at the meeting. The description shall be reasonably calculated to adequately inform the public of the subject matter of each agenda item. The agenda may include recommendations for Committee action as appropriate.

§6.2 Public Communications

Each agenda for a regular meeting shall provide an opportunity for members of the public to address the Committee on matters of interest to the public either before or during the Committee's consideration of the item, if it is listed on the agenda, or, if it is not listed on the agenda but is within the jurisdiction of the Committee, under the agenda item heading "Oral/Written Communications". The Committee shall not act upon an item that is not listed on the agenda except as provided under Section 5.8. Each notice for a special meeting shall provide an opportunity for members of the public to directly address the Committee concerning any item that has been described in the notice for the meeting before or during consideration of that item.

§6.3 Agenda Preparation

The METRO Staff assigned to the Committee shall prepare the agenda for each meeting in consultation with the Chair. Material intended for placement on the agenda shall be delivered to the secretary on or before 12:00 Noon on the date established as the agenda deadline for the forthcoming meeting. The METRO Staff, in consultation with the chair, may withhold placement on the agenda of any matter that is not timely received, lacks sufficient information or is in need of staff review and report prior to Committee consideration.

§6.4 Agenda Posting and Delivery

The written agenda for each regular meeting and each meeting continued for more than five calendar days shall be posted by the METRO Staff at least 72 hours before the meeting is scheduled to begin. The written agenda for every special meeting shall be posted by the METRO Staff at least 24 hours before the special meeting is scheduled to begin. The agenda shall be posted in a location that is freely accessible to members of the public. The agenda together with supporting documents shall be transmitted to each Committee member, the Secretary/General Manager and the METRO Counsel at least five days before each regular meeting and at least 24 hours before each special meeting.

§6.5 Meeting Notices

The METRO Staff shall transmit notices of every regular meeting at least one week prior to the date set for the meeting to each person who has filed a written request with METRO for such notice as provided in Section 54954.1 of the Government Code. The notice shall be mailed at least one week prior to the date set for the meeting. Notice of special meetings called less than seven days prior to the date set for the meeting shall be given as soon as is practical.

Article VII MISCELLANEOUS

§7.1 Adoption and Amendment of Bylaws

These Bylaws shall be effective upon approval by the METRO Board of Directors.

§7.2 Committee Process

The intent of the Committee shall be to provide consensus based advice and recommendations to the METRO Board of Directors.

Approved by Board of Directors: December 19, 2003.

Proposed MAC Bylaws Amendments

Article 2.2-Existing Language

§2.2 Limitations on Authority

The sole jurisdiction and authority of the Committee is to serve in an advisory capacity to the Board of Directors. It shall not have any authority to take actions that bind METRO or the Board of Directors. Communications by the Committee shall be to and through the Board of Directors. No individual member of the Committee shall be entitled to compensation from METRO and any reimbursement for travel or other expenses shall receive specific prior authorization by the Board of Directors.

Article 2.2-Proposed Language

§2.2 Limitations on Authority

The sole jurisdiction and authority of the Committee is to serve in an advisory capacity to the Board of Directors. It shall not have any authority to take actions that bind METRO or the Board of Directors. Communications by the Committee shall be to and through the Board of Directors **with the exception that the Committee may design informational signs to be placed inside of the METRO buses and that the Committee may design and distribute an informational brochure to increase the public's knowledge of the operation and existence of the Committee.** No individual member of the Committee shall be entitled to compensation from METRO, **with the exception that Members of the Committee shall receive three (3) system-wide day passes for each monthly meeting that they attend,** and any reimbursement for travel or other expenses shall receive specific prior authorization by the Board of Directors.

Article 5.4-Existing Language

§5.4 Quorum; Vote

The presence of 6 members shall constitute a quorum for the transaction of business. All official acts of the Committee shall require the affirmative vote of the majority of members present, providing that a quorum is maintained at all times.

Article 5.4-Proposed Language

§5.4 Quorum; Vote

The presence of 6 members shall constitute a quorum for the transaction of business. **However, when there are vacancies on the Committee the quorum shall be reduced to a majority of the number of Members appointed to the Committee with the provision that a quorum shall never be less than four (4) Members.** All official acts of the Committee shall require the affirmative vote of the majority of members present, providing that a quorum is maintained at all times.