

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

BOARD OF DIRECTORS REGULAR MEETING AGENDA
DECEMBER 21, 2007 (Third Friday of This Month)
CITY HALL COUNCIL CHAMBERS
809 CENTER STREET
SANTA CRUZ, CALIFORNIA
9:00 a.m. – Noon

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. T. S. Anand Re: Winter Service Revisions
 - b. Seacliff Drive Residents Re: Routes 54 & 55 Vehicle Size
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 NOVEMBER 2007
- 5-2. CONSIDERATION OF TORT CLAIMS: None
- 5-3. ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC) AGENDA FOR DECEMBER 19, 2007 AND MINUTES OF OCTOBER 17, 2007
- 5-4. ACCEPT AND FILE PARACRUZ OPERATIONS STATUS REPORT FOR THE MONTH OF SEPTEMBER 2007
- 5-5. ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR AUGUST 2007
- 5-6. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE FOR THE MONTH OF OCTOBER 2007
- 5-7. ACCEPT AND FILE NOTIFICATION OF ACTION TAKEN IN CLOSED SESSION REGARDING GEORGE V. BAY AREA RAPID TRANSIT DISTRICT; U.S. DISTRICT COURT, NORTHERN DISTRICT OF CALIFORNIA, CASE NO. C 00-2206CW

- 5-8. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN AMENDMENT TO THE CURRENT LEASE FOR THE PROPERTY LOCATED AT 111 DUBOIS STREET, SANTA CRUZ TO EXTEND THE TERM FOR AN ADDITIONAL TEN-MONTH PERIOD
- 5-9. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A NEW LEASE FOR THE PROPERTY LOCATED AT 115 DUBOIS STREET TO BEGIN ON FEBRUARY 1, 2008 AND EXPIRE ON DECEMBER 31, 2010
- 5-10. CONSIDERATION OF OWNED AND LEASED PROPERTY INVENTORIES TO DETERMINE IF THERE IS ANY PROPERTY IN EXCESS OF SANTA CRUZ METROPOLITAN TRANSIT DISTRICT'S FORESEEABLE NEEDS
- 5-11. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH CLASSIC GRAPHICS FOR VEHICLE BODY REPAIR AND PAINTING SERVICES
- 5-12. CONSIDERATION OF RECEIPT OF INFORMATION FROM THE GENERAL MANAGER REGARDING HIS ATTENDANCE AT THE FALL CONFERENCE OF THE CALIFORNIA TRANSIT ASSOCIATION NOVEMBER 12-14, 2007
- 5-13. ACCEPT AND FILE METROBASE PROJECT STATUS REPORT
- 5-14. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH FRICKE-PARKS PRESS FOR PRINTING OF *HEADWAYS*
- 5-15. ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR THE NOVEMBER 2007 MEETING(S)
- 5-16. ACCEPT AND FILE OCTOBER 2007 RIDERSHIP REPORT
- 5-17. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT AMENDMENT TO EXTEND THE CONTRACT WITH EVERGREEN OIL, INC. FOR HAZARDOUS WASTE REMOVAL SERVICES
- 5-18. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT AMENDMENT TO EXTEND THE CONTRACT WITH VALLEY POWER SYSTEMS FOR RE-POWER OF FORTY BUSES

REGULAR AGENDA

- 6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS
Presented by: Chair Tavantzis

7. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR JULY, AUGUST, AND SEPTEMBER 2007
Presented By: Angela Aitken, Finance Manager
8. CONSIDERATION OF RESOLUTION REVISING FY 08 OPERATING AND CAPITAL BUDGET
Presented By: Angela Aitken, Finance Manager
9. ACCEPTANCE OF FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS REPORT FOR THE YEAR ENDING JUNE 30, 2007
Presented By: Angela Aitken, Finance Manager
10. CONSIDERATION OF APPROVAL OF 2008 STATE LEGISLATIVE PROGRAM
Presented By: Leslie R. White, General Manager
11. CONSIDERATION OF APPROVAL OF 2008 FEDERAL LEGISLATIVE PROGRAM
Presented By: Leslie R. White, General Manager
12. CONSIDERATION OF INFORMATION REGARDING THE AMERICAN PUBLIC TRANSPORTATION ASSOCIATION'S LEGISLATIVE COMMITTEE, AUTHORIZATION TASK FORCE, AND 2050 FRAMEWORK FOR THE FUTURE TASK FORCE, AND CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO CONTINUE TO PARTICIPATE IN THE ACTIVITIES OF THESE COMMITTEES
Presented By: Leslie R. White, General Manager
13. CONSIDERATION OF RESOLUTION AUTHORIZING THE GENERAL MANAGER TO SUBMIT APPLICATIONS AND EXECUTE AGREEMENTS FOR PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT, AND SERVICE ENHANCEMENT ACCOUNT (PTMISEA) FUNDS
Presented By: Mark Dorfman, Assistant General Manager
14. CONSIDERATION OF AUTHORIZING THE BOARD CHAIR TO TRANSMIT LETTERS OF APPRECIATION FOR METRO REPRESENTATIVES AND AFFILIATES FOR THEIR PARTICIPATION ON THE TRANSPORTATION FUNDING TASK FORCE
Presented By: Leslie R. White, General Manager
15. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT FOR RESTORATION OF THE ROOF ON THE OPERATIONS BUILDING
Presented By: Tom Stickel, Maintenance Manager
16. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT FOR OPERATIONS PARKING LOT GRADING, PAVING/BLENDING PROJECT
Presented By: Frank Cheng, MetroBase Project Manager
17. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION: District Counsel

18. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

SECTION II: CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
(Significant exposure to litigation exists pursuant to Government Code Section 54956.9 (b) (1))
 - a. Number of Cases: One
2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
(Pursuant to Government Code Section 54956.8)
 - a. Property: 425 Front Street, Santa Cruz, CA
Negotiating parties: Ceil Cirillo, Tony Condotti, and Leslie R. White for SCMTD
Mark Fallis for Greyhound/Transportation Realty Income Partners L.P., Owner of 425 Front Street
Under Negotiation: Price and Terms

SECTION III: RECONVENE TO OPEN SESSION

19. 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.

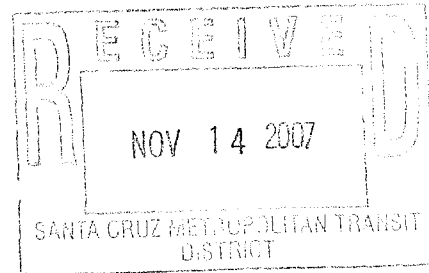
Members of the public may address the Board of Directors on a topic on the agenda by approaching the Board immediately after presentation of the staff report but before the Board of Directors' deliberation on the topic to be addressed. Presentations will be limited in time in accordance with District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

The Santa Cruz Metropolitan Transit District does not discriminate on the basis of disability. The 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.

November 10, 2007

Board of Directors
Santa Cruz Metropolitan Transit District
370 Encinal Street
Santa Cruz, CA. 95060



I did not hear about the proposal to eliminate bus service to Paradise Park until after Oct. 26. Apparently, the Metro Transit District had a public hearing of the subject on Oct 26, and subsequently voted to eliminate the bus service to Paradise Park.

Please allow me to explain the problems of communication that exist here in Paradise Park that made it unrealistic to respond to the posted notices of the hearing in a timely manner...

First, the occupancy rate here is approximately 50%. Posting notices is not an effective way of letting all 391 members know about a hearing or important event. Only a small portion of the membership gets information from the PPMC bulletin boards.

Second, the Paradise Park Board of Directors meets only once a month. An item appearing on the agenda must be submitted 10 business days in advance of a scheduled Board Meeting. Only items that make it on the agenda are discussed. The Metro hearing and proposal for elimination of bus service was not an agenda item.

Third, the minutes of the Board meetings take up to three weeks to reach the membership through the official Board sponsored bulletin. If the issue of Metro bus service elimination became an agenda item, it would still take at least another month for the membership to read about it in the Bulletin.

Fourth, actions of the PPMC Board on behalf of the membership may take anywhere from four weeks to 5 months to 5 years to be handled effectively, depending on the nature of the business. Since, the Board did not discuss the hearing through an agenda item, they could not issue a response to Metro on behalf of the membership, nor could they solicit a response of the membership.

2-a.1

Therefore, notification to the membership; attention of the Board; and any response or action on behalf of the membership could not possibly have been successful in regards to the recent hearing of bus service revisions.

In the past I gratefully used the Metro Paradise Park service ^{on} many occasions. Although I realize that the bus is often empty, and that I might sometimes be the only passenger---the existence of the service was an enormous comfort and reassurance. Bus service was one advantage of the Paradise Park location. Without bus service, Paradise Park is completely dependent on privately owned vehicles.

As we all know, the one-mile stretch of Hwy 9 between Santa Cruz and Paradise Park is dangerous for bicycles, pedestrians and hitchhikers. Having bus service (limited as it was) from the Metro Center enabled some of our elderly, disabled, too young to drive, and vehicle-less, a sense of independence and connection to town.

I sincerely hope that some service could remain as a transportation lifeline between the Paradise Park Community and the City of Santa Cruz.

This letter is a request that the Board of Directors of Metro please revisit this issue of bus service to Paradise Park.

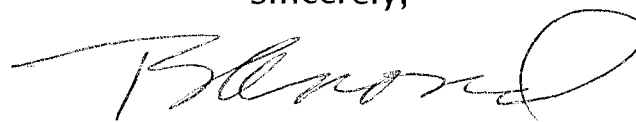
Would you please consider contacting our Board of Directors to formally ask for them to address this as an agenda item. That would give Paradise Park Members the proper amount of time to respond to the issue of bus service in a reasonable manner.

Your attention and consideration of this request is appreciated.

Please contact:

Board of Directors of PPMC
211 Paradise Park, Santa Cruz CA, 95060

Sincerely,

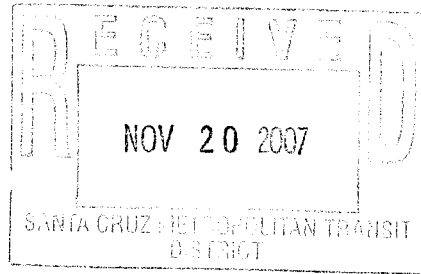


T. S. Anand

2-a.2

November 20, 2007

County of Santa Cruz-Department of Public Works
Tom Bolich-Director of Public Works
John Swenson-Senior Engineer
701 Ocean Street Room 410
Santa Cruz, CA 95060



Dear Mr. Bolich and Mr. Swenson,

This letter is pursuant to our November 3, 2007 letter to you requesting the Seacliff Drive historical road plans, including Stacy Patyk's and Geraldine Harris's conversation with John Swenson Friday, November 16 where Mr. Swenson stated no historical road plans exist for Seacliff Drive. We request you provide us the most recent road plans and specifications for Seacliff Drive which were drafted when it was last paved. Road plans had to have been created prior to the paving of Seacliff Drive in order for the work to be performed.

We need to determine what structural composition was built into this road (if any) to understand the allowable weight limit based upon compaction. As we have noted to you, the Board of Supervisors-Ellen Pirie, and the Metro Board of Directors, we have grave geologic concerns that Seacliff Drive, Aptos (from Center Avenue to Seacliff Drive to Spreckels) does not have enough foundational support to enable heavy machinery to drive on it without creating shock waves on the road, and in the hill, which our homes reside upon. This street was built as a residential street, not a commercial road, and therefore does not have the necessary structural integrity to enable heavy machinery to traverse it without causing shock waves. The shock waves have been causing iterative damage to our road and hill and have grown worse to the point the road has many cracks, sinking areas, and structural damage is obvious! In addition, these shock waves are damaging our homes. We are concerned the hill will collapse, and take our homes with it, if heavy machinery continues to traverse Seacliff Drive.

We believe this road requires a 3.5-ton weight limit in order to severely limit the shock waves on the road and in the hill caused by heavy machinery driving upon the road. By instituting the weight limit, this will limit Seacliff Drive road and hill deterioration and limit further damage to our homes.

Note there are alternative roads this heavy machinery should be driving upon: Soquel Drive to Spreckels Drive, or Rio Del Mar Blvd to Aptos Beach Drive in order to enter the Aptos beach flats. Some of the other heavy machinery, such as large metro buses and school buses, can utilize smaller, lighter-weight vehicles for transport.

Please advise us as to when we can procure the road plans and specifications for Seacliff Drive. We are copying the Santa Cruz Board of Supervisors-Ellen Pirie and the Metro Board of Directors on this letter.

Sincerely,

Stacy Patyk 69 Seacliff Drive Aptos, CA 95003	Geraldine Harris 83 Seacliff Drive Aptos, CA 95003	Darryl Dill 65 Seacliff Drive Aptos, CA 95003	Bruce & Eva Rak 73 Seacliff Drive Aptos, CA 95003	Linda & Larry Archer 61 Seacliff Drive Aptos, CA 95003
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cc: metro Board of Directors

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

DATE: 11/01/07 THRU 11/30/07

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
23617	11/02/07	247.00	020	ADT SECURITY SERVICES INC.		15356	SECURITY-1122 RIVER	247.00	
23618	11/02/07	438.32	001088	ADVANCED MECHANICAL SERVICES		15306	OUT RPR BLDGS & IMP	438.32	
23619	11/02/07	771.08	934	ADVANCED NETWORK SYSTEMS		14933	9/07-09/08 SUPPORT	771.08	
23620	11/02/07	2,460.74	382	AIRTEC SERVICE		15066	SEPT 07 MNTC	1,670.00	
						15308	OUT RPR EQUIP	790.74	
23621	11/02/07	9.77	294	ANDY'S AUTO SUPPLY		14975	PARTS & SUPPLIES	9.77	
23622	11/02/07	3.02	002689	B & B SMALL ENGINE		15021	REPAIRS/MAINTENANCE	3.02	
23623	11/02/07	100.00	B003	BEAUTZ, JAN	7	15345	OCT BOARD MTGS	100.00	
23624	11/02/07	575.00	478	BEE CLENE	0	15142	CARPET/VERNON	575.00	
23625	11/02/07	100.00	B018	BUSTICHI, DENE	7	15346	OCT BOARD MTGS	100.00	
23626	11/02/07	1,196.00	002287	CALIFORNIA SERVICE EMPLOYEES		15265	NOV MEDICAL	1,196.00	
23627	11/02/07	46.48	002882	CARR PARTS NAPA		15015	SAFETY SUPPLIES	46.48	
23628	11/02/07	100.00	B014	CITY OF WATSONVILLE		15354	OCT BOARD MTGS	100.00	
23629	11/02/07	2,990.20	909	CLASSIC GRAPHICS		15027	OUT RPR REV VEH	1,043.18	
						15156	OUT RPR REV VEH	1,947.02	
23630	11/02/07	26.48	002063	COSTCO		15044	LOCAL MEETING EXP	13.17	
						15233	PHOTO PROCESS/OPS	4.73	
						15234	PHOTO PROCESS/OPS	3.52	
						15235	PHOTO PROCESS/OPS	2.53	
						15236	PHOTO PROCESS/OPS	2.53	
23631	11/02/07	368.21	002814	CREATIVE BUS SALES, INC.		15281	REV VEH PARTS	368.21	
23632	11/02/07	38,495.31	800	DELTA DENTAL PLAN		15355	NOVEMBER DENTAL	38,495.31	
23633	11/02/07	32.00	002567	DEPARTMENT OF JUSTICE		15118	SEPT FINGERPRINTS	32.00	
23634	11/02/07	44,909.04	001316	DEVCO OIL		15232	FLT FUEL 10/16-10/22	44,909.04	
23635	11/02/07	2,187.94	480	DIESEL MARINE ELECTRIC, INC.		14981	REV VEH PARTS	1,790.25	
						15019	REV VEH PARTS	397.69	
23636	11/02/07	2,079.51	085	DIXON & SON TIRE, INC.		15150	TIRES & TUBES	829.73	
						15151	TIRES & TUBES	800.10	
						15152	TIRES & TUBES	449.68	
23638	11/02/07	503.20	372	FEDERAL EXPRESS		15228	POSTAGE & MAIL/FLT	50.00	
						15323	SEPT MAIL/ADMIN	28.22	
						15324	SEPT MAIL/ADMIN	30.34	
						15325	SEPT MAIL/ADMIN	18.21	
						15326	SEPT MAIL/ ADMIN	21.07	
						15327	SEPT MAIL/ADMIN	30.34	
						15328	SEPT MAIL/ADMIN	38.76	
						15329	SEPT MAIL/ADMIN	21.07	
						15330	SEPT MAIL/ADMIN	26.11	
						15331	OCT MAIL/ADMIN	18.84	
						15332	OCT MAIL/ADMIN	25.71	
						15333	OCT MAIL/ADMIN	27.30	
						15334	OCT MAIL/ADMIN	24.80	
						15335	OCT MAIL/ADMIN	25.59	
						15336	OCT MAIL/ADMIN	28.61	
						15337	OCT MAIL/ADMIN	34.37	
						15338	OCT MAIL/ADMIN	27.30	
						15339	OCT MAIL/ADMIN	26.56	
23639	11/02/07	100.00	B021	HAGEN, DONALD N.		15347	OCT BOARD MTGS	100.00	
23640	11/02/07	50.00	B006	HINKLE, MICHELLE	7	15348	OCT BOARD MTGS	50.00	
23641	11/02/07	11.11	166	HOSE SHOP, THE		15316	PARTS & SUPPLIES	11.11	

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CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR	VENDOR NAME	TRANS. TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
23642	11/02/07	5,452.80	878	KELLY SERVICES, INC.		15358	TEMP/IT W/E 10/07	908.80	
						15359	TEMP/IT W/E 10/14	2,272.00	
						15360	TEMP/IT W/E 10/21	2,272.00	
23643	11/02/07	117.13	074	KENVILLE LOCKSMITHS	7	15020	REPAIRS/MAINTENANCE	117.13	
23644	11/02/07	57.29	039	KINKO'S INC.		15043	PRINTING/ADM	57.29	
23645	11/02/07	176.00	852	LAW OFFICES OF MARIE F. SANG	7	15165	WORKERS COMP CLAIM	48.00	
						15166	WORKERS COMP CLAIM	48.00	
						15344	WORKERS COMP CLAIM	80.00	
23646	11/02/07	737.33	041	MISSION UNIFORM		14984	UNIF/LAUNDRY/FAC	95.96	
						15002	UNIF/LAUNDRY/FLT	22.00	
						15003	UNIF/LAUNDRY/FLT	143.25	
						15004	UNIF/LAUNDRY/FLT	54.05	
						15005	UNIF/LAUNDRY/FLT	285.29	
						15006	UNIF/LAUNDRY/FLT	62.82	
						15083	UNIF/LAUNDRY/PT	47.47	
						15116	UNIF/LAUNDRY/FLT	26.49	
23647	11/02/07	3,169.00	905	MONTEREY SALINAS TRANSIT					VOIDED
	11/08/07	-3,169.00				15320	AMBAG OWP WE #670	0.00	
23648	11/02/07	2,530.57	001063	NEW FLYER INDUSTRIES LIMITED		15074	REV VEH PARTS	333.00	
						15079	PARTS & SUPPLIES	19.00	
						15173	REV VEH PARTS	83.50	
						15174	REV VEH PARTS	379.44	
						15175	REV VEH PARTS	1,715.63	
23649	11/02/07	100.00	B020	NICOL, KIRBY	7	15349	OCT BOARD MTGS	100.00	
23650	11/02/07	338.92	004	NORTH BAY FORD LINC-MERCURY		15157	OUT RPR OTH VEH	100.00	
						15177	REV VEH PARTS	238.92	
23651	11/02/07	1,105.28	043	PALACE ART & OFFICE SUPPLY		15040	OFFICE SUPPLIES/LGL	42.51	
						15045	OFFICE SUPPLIES/FIN	19.77	
						15046	OFFICE SUPPLIES/FIN	74.79	
						15049	OFFICE SUPPLIES/HRD	238.11	
						15096	OFFICE SUPPLIES/PT	88.72	
						15140	OFFICE SUPPLIES/FLT	47.21	
						15190	OFFICE SUPPLIES/MTC	270.17	
						15191	OFFICE SUPPLIES/MTC	13.43	
						15192	OFFICE SUPPLIES/MTC	103.39	
						15193	OFFICE SUPPLIES/MTC	14.27	
						15241	OFFICE SUPPLIES/OPS	180.46	
						15242	OFFICE SUPPLIES/OPS	12.45	
23652	11/02/07	136.65	061	REGISTER PAJARONIAN		15119	PUB NOTICE ADM 10/11	136.65	
23653	11/02/07	100.00	B011	REILLY, EMILY	7	15350	OCT BOARD MTGS	100.00	
23654	11/02/07	100.00	B015	ROTKIN, MIKE	7	15351	OCT BOARD MTGS	100.00	
23655	11/02/07	261.78	002713	SANTA CRUZ AUTO TECH, INC.		15097	OUT RPR REV VEH	130.89	
						15099	OUT RPR REV VEH	130.89	
23656	11/02/07	716.71	135	SANTA CRUZ AUTO PARTS, INC.		15010	OTH MOBILE SUPPLIES	10.57	
						15011	SMALL TOOLS	119.30	
						15012	OTH MOBILE SUPPLIES	22.56	
						15013	PARTS & SUPPLIES	26.02	
						15014	PARTS & SUPPLIES	7.92	
						15022	PARTS & SUPPLIES	3.96	
						15023	REV VEH PARTS	77.08	

5-1.2

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
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						15091	PARTS & SUPPLIES	100.80	
						15092	PARTS & SUPPLIES	98.66	
						15093	REV VEH PARTS	143.22	
						15261	EMP TOOLS	106.62	
23657	11/02/07	37.53	848	SANTA CRUZ ELECTRONICS, INC.		14974	PARTS & SUPPLIES	37.53	
23658	11/02/07	20,335.59	977	SANTA CRUZ TRANSPORTATION, LLC		15285	SEPT PT SERVICES	20,335.59	
23659	11/02/07	100.00	B012	SPENCE, PAT	7	15352	OCT BOARD MTGS	100.00	
23660	11/02/07	53.71	104	STATE STEEL COMPANY		15076	REV VEH PARTS	53.71	
23661	11/02/07	1,929.65	002607	STAVELEY SERVICES FLUIDS		15197	OUT RPR REV VEH	1,929.65	
23662	11/02/07	100.00	B017	STONE, MARK	7	15353	OCT BOARD MTGS	100.00	
23663	11/02/07	730.00	001857	SWRCB FEES		15322	STORM WATER PERMIT	730.00	
23664	11/02/07	1,330.19	002207	T.Y. CUSTOM DESIGN	0	15237	CUSTOM MADE PATCHES	1,330.19	
23665	11/02/07	386.78	170	TOWNSEND'S AUTO PARTS		15008	REV VEH PARTS	244.45	
						15009	REV VEH PARTS	125.64	
23666	11/02/07	72.85	007	UNITED PARCEL SERVICE		15114	REV VEH PARTS	16.69	
						15200	FRT OUT-FLT	31.78	
						15201	FRT OUT - FLT	41.07	
23667	11/02/07	1,200.00	001140	UNIVERSITY INN &		15357	SECURITY DEPOSIT	1,200.00	
23668	11/02/07	2,256.78	002829	VALLEY POWER SYSTEMS, INC.		15147	REV VEH PARTS	25.02	
						15148	REV VEH PARTS	2,231.76	
23669	11/02/07	53.33	434B	VERIZON CALIFORNIA		15227	MT BIEWLASKI	53.33	
23670	11/02/07	10,977.54	001043	VISION SERVICE PLAN		15266	NOV VISION INS	10,977.54	
23671	11/02/07	6,358.22	001083	WATSONVILLE TRANSPORTATION, INC		15287	10/1-10/7 PT SVCS	6,358.22	
23672	11/02/07	98.95	147	ZEE MEDICAL SERVICE CO.		15016	SAFETY SUPPLIES	35.91	
						15017	SAFETY SUPPLIES	26.42	
						15246	SAFETY SUPPLIES	36.62	
23673	11/09/07	38.00	886	ALL PURE WATER		15454	OFFICE SUPPLIES	38.00	
23674	11/09/07	18.47	192	ALWAYS UNDER PRESSURE		15262	REPAIRS/MAINTENANCE	18.47	
23675	11/09/07	3,169.00	563	AMBAG		15516	AMBAG OWP WE #670	3,169.00	
23676	11/09/07	169.04	002861	AMERICAN MESSAGING SVCS, LLC		15457	NOV PAGERS	169.04	
23677	11/09/07	118.43	294	ANDY'S AUTO SUPPLY		15080	PARTS & SUPPLIES	33.64	
						15138	PARTS & SUPPLIES	4.00	
						15144	REV VEH PARTS	80.79	
23678	11/09/07	17,214.22	941	ASSURANT EMPLOYEE BENEFITS		15501	NOV LTD INS	17,214.22	
23679	11/09/07	4,051.07	001A	AT&T/MCI		15476	SEPT PHONES/PT	52.38	
						15477	SEPT PHONES/PT	493.26	
						15511	OCT PHONES	2,025.98	
						15512	OCT PHONES/IT	1,479.45	
23680	11/09/07	1,440.50	876	ATCHISON, BARLSONE, CONDOTTI &		15488	LEGAL SVCS/FRONT ST	487.50	
						15489	LEGAL SVCS/RIVER ST	953.00	
23681	11/09/07	231.28	002191	BACON, EDWARD R. COMPANY, INC.		15263	REV VEH PARTS	231.28	
23682	11/09/07	410.90	R504	BARNES, ANTHONY		15494	SETTLEMENT/RISK	410.90	
23683	11/09/07	191.60	580	BLOCK AND COMPANY, INC.		15483	OFFICE SUPPLIES	191.60	
23684	11/09/07	790.61	002189	BUS & EQUIPMENT		15280	REV VEH PARTS	790.61	
23685	11/09/07	140.00	014	CABRILLO COLLEGE		15253	FINGERPRINTING	140.00	
23686	11/09/07	100.00	R503	CALLEJAS, LETICIA		15491	SETTLEMENT/RISK	100.00	
23687	11/09/07	7.56	002882	CARR PARTS NAPA		15136	REV VEH PARTS	7.56	
23688	11/09/07	830.77	983	CENTRAL MAINTENANCE COMPANY		15478	OCT JANITORIAL/PT	830.77	
23689	11/09/07	672.00	002109	CITY OF SANTA CRUZ/PARKING		15493	PARKING PERMITS/MTC	672.00	
23690	11/09/07	1,402.75	001113	CLARKE, SUSAN		15255	EXT BUS ANNOUNC/AUD	1,402.75	

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23691	11/09/07	1,510.40	909	CLASSIC GRAPHICS	15247	OUT RPR REV VEH	1,510.40	
23692	11/09/07	295.99	002870	COLE SUPPLY COMPANY, INC.	15178	CLEANING SUPPLIES	295.99	
23693	11/09/07	62,404.71	002569	COMERICA BANK	15164	WORK COMP FUND	62,404.71	
23694	11/09/07	54.46	669	COMPUTER BOOK DIRECT	15487	EXCEL 07 DATA BOOKS	54.46	
23695	11/09/07	20.27	002063	COSTCO	15194	LOCAL MEETING EXP	20.27	
23696	11/09/07	223.79	002814	CREATIVE BUS SALES, INC.	15485	REV VEH PARTS	223.79	
23697	11/09/07	362.40	504	CUMMINS WEST, INC.	15176	REV VEH PARTS	362.40	
23698	11/09/07	488.18	001000	DAIMLER CHRYSLER	15210	REV VEH PARTS	488.18	
23699	11/09/07	103,733.50	001316	DEVCO OIL	15430	10/23-10/31 FUEL-FLT	61,764.21	
					15486	FUEL FLT/11/1-11/6	41,969.29	
23700	11/09/07	1,153.87	085	DIXON & SON TIRE, INC.	15204	TIRES & TUBES	174.08	
					15289	TIRES & TUBES	387.61	
					15407	TIRES & TUBES	66.00	
					15408	TIRES & TUBES	33.00	
					15409	TIRES & TUBES	396.93	
					15414	TIRES & TUBES	96.25	
23701	11/09/07	106.98	282	GRAINGER	15307	REPAIRS/MAINTENANCE	106.98	
23702	11/09/07	66,425.18	001035	HARRIS & ASSOCIATES	15500	MB SEPT 07 PROF SVCS	66,425.18	
23703	11/09/07	264.56	166	HOSE SHOP, THE	15314	PARTS & SUPPLIES	148.82	
					15315	PARTS & SUPPLIES	35.15	
					15317	SMALL TOOLS/PARTS	80.59	
23704	11/09/07	1,181.72	215	IKON OFFICE SOLUTIONS	15382	9/19-10/19 MAINT/ADM	169.86	
					15396	COPIER MAINT/MTC	1,011.86	
23705	11/09/07	195.00	001129	INSTITUTE OF MNGMT ACCOUNTANTS	14637	08 MEMBERSHIP DUES	195.00	
23706	11/09/07	605.10	001296	LEXISNEXIS MATTHEW BENDER	15394	CA EMP LAW REL # 19	172.04	
					15471	CA EMP LAW REL # 36	433.06	
23707	11/09/07	268.63	107A	LUMBERMENS	15145	REPAIRS/MAINTENANCE	36.12	
					15146	REPAIRS/MAINTENANCE	13.26	
					15155	PARTS & SUPPLIES	210.29	
					15171	REPAIRS/MAINTENANCE	8.96	
23708	11/09/07	40.00	764	MERCURY METALS	15284	OUT RPR REV VEH	40.00	
23709	11/09/07	118.64	T150	MILLER, MARY	15469	OVERPAYMENT/HLTHCARE	118.64	
23710	11/09/07	682.23	225	MISSION PRINTERS	15395	PRINT BUS PASSES	682.23	
23711	11/09/07	649.46	041	MISSION UNIFORM	15130	UNIF/LAUNDRY/FLT	62.82	
					15131	UNIF/LAUNDRY/FLT	295.95	
					15132	UNIF/LAUNDRY/FLT	143.25	
					15133	UNIF/LAUNDRY/FLT	44.78	
					15134	UNIF/LAUNDRY/FLT	22.00	
					15143	UNIF/LAUNDRY/FAC	80.66	
23712	11/09/07	1,206.89	001063	NEW FLYER INDUSTRIES LIMITED	15376	REV VEH PARTS	1,202.33	
					15392	REV VEH PARTS	4.56	
23713	11/09/07	81.38	004	NORTH BAY FORD LINC-MERCURY	15517	REV VEH PARTS	81.38	
23714	11/09/07	5.89	161	OCEAN CHEVROLET	15137	PARTS & SUPPLIES	5.89	
23715	11/09/07	11,349.99	009	PACIFIC GAS & ELECTRIC	15361	9/29-10/26 RIVER	1,691.87	
					15362	9/29-10/27 DUBOIS	8.39	
					15363	9/29-10/27 ENCINAL	3,004.68	
					15364	9/29-10/29 DUBOIS	207.83	
					15365	9/29-10/29 DUBOIS	13.08	
					15415	9/29-10/29 FLEET	6,240.50	
					15431	9/30-10/26 VERNON	183.64	

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23716	11/09/07	1,409.99	043	PALACE ART & OFFICE SUPPLY		15188	OFFICE SUPPLIES/ADM	120.23	
						15195	OFFICE SUPPLIES/ADM	-184.10	
						15196	OFFICE SUPPLIES/FLT	39.02	
						15238	OFFICE SUPPLIES/OPS	-12.45	
						15239	OFFICE SUPPLIES/OPS	45.01	
						15240	OFFICE SUPPLIES/OPS	8.57	
						15254	OFFICE SUPPLIES/ADM	250.71	
						15257	OFFICE SUPPLIES/FIN	287.92	
						15290	OFFICE SUPPLIES/PT	128.16	
						15291	OFFICE SUPPLIES/PT	749.93	
						15379	OFFICE SUPPLIES/ADM	92.05	
						15380	CREDIT MEMO	-92.05	
						15381	CREDIT MEMO	-23.01	
23717	11/09/07	28.07	950	PARADISE LANDSCAPE		15211	OUT RPR BLDG & IMP	28.07	
23718	11/09/07	146.48	882	PRINT SHOP SANTA CRUZ		15198	OFFICE SUPPLIES/FLT	146.48	
23719	11/09/07	203.28	087	RECOGNITION SERVICES		15252	EMP INCENTIVE	203.28	
23720	11/09/07	65,608.91	904	RNL DESIGN		15497	PROF SVCS THRU 9/30	65,009.77	
						15498	PROF SVCS THRU 9/30	599.14	
23721	11/09/07	324.06	R505	RYAN, WILLIAM		15495	SETTLEMENT/RISK	324.06	
23722	11/09/07	1,491.40	018	SALINAS VALLEY FORD SALES		15464	REV VEH PARTS	510.74	
						15473	REV VEH PARTS	863.58	
						15474	REV VEH PARTS	117.08	
23724	11/09/07	1,063.97	002713	SANTA CRUZ AUTO TECH, INC.		15180	OUT RPR REV VEH	130.89	
						15181	OUT RPR REV VEH	130.89	
						15292	OUT RPR REV VEH	130.89	
						15293	OUT RPR REV VEH	50.15	
						15294	OUT RPR REV VEH	50.15	
						15295	OUT RPR REV VEH	50.15	
						15296	OUT RPR REV VEH	50.15	
						15297	OUT RPR REV VEH	50.15	
						15298	OUT RPR REV VEH	50.15	
						15299	OUT RPR REV VEH	50.15	
						15300	OUT RPR REV VEH	50.15	
						15301	OUT RPR REV VEH	50.15	
						15302	OUT RPR REV VEH	50.15	
						15303	OUT RPR REV VEH	56.60	
						15304	OUT RPR REV VEH	56.60	
						15305	OUT RPR REV VEH	56.60	
23725	11/09/07	549.85	135	SANTA CRUZ AUTO PARTS, INC.		15065	PARTS & SUPPLIES	3.85	
						15069	REV VEH PARTS	65.15	
						15070	REV VEH PARTS	104.51	
						15071	REV VEH PARTS	26.69	
						15077	SMALL TOOLS	162.70	
						15115	PARTS & SUPPLIES	31.70	
						15135	REV VEH PARTS	12.25	
						15169	PARTS & SUPPLIES	100.80	
						15170	PARTS & SUPPLIES	42.20	
23726	11/09/07	2,363.08	002573	SANTA CRUZ COUNTY TAX COLLECTR		15502	PROP TAX 07-08 VERN	2,363.08	
23727	11/09/07	575.00	260	SANTA CRUZ GLASS CO., INC.		15179	GLASS/457 RODRIGUEZ	575.00	
23729	11/09/07	1,122.00	001523	SANTA CRUZ MEDICAL CLINIC		15267	MEDICAL EXAM	66.00	

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						15268	MEDICAL EXAM	66.00	
						15269	MEDICAL EXAM	66.00	
						15271	MEDICAL EXAM	66.00	
						15272	MEDICAL EXAM	66.00	
						15273	MEDICAL EXAM	66.00	
						15274	MEDICAL EXAM	66.00	
						15275	MEDICAL EXAM	66.00	
						15276	MEDICAL EXAM	66.00	
						15277	MEDICAL EXAM	66.00	
						15278	MEDICAL EXAM	66.00	
						15279	MEDICAL EXAM	66.00	
						15311	MEDICAL EXAM	66.00	
						15340	MEDICAL EXAM	66.00	
						15341	MEDICAL EXAM	66.00	
						15342	MEDICAL EXAM	66.00	
						15343	MEDICAL EXAM	66.00	
23730	11/09/07	7,607.81	079	SANTA CRUZ MUNICIPAL UTILITIES		15387	9/25-10/23 ENCINAL	817.64	
						15388	9/25-10/23 ENCINAL	129.39	
						15389	9/25-10/23 DUBOIS	366.83	
						15390	9/25-10/23 RIVER	117.25	
						15391	9/25-10/23 DUBOIS	98.33	
						15496	9/25-10/23 RIVER ST	2,053.52	
						15503	9/25-10/23 VERNON	382.59	
						15504	9/25-10/23 VERNON	60.53	
						15508	9/25-10/23 GOLF CLB	937.64	
						15509	9/26-10/24 PACIFIC	2,543.42	
						15510	9/26-10/24 PACIFIC	100.67	
23731	11/09/07	697.24	115	SNAP-ON INDUSTRIAL		15250	SMALL TOOLS	697.24	
23732	11/09/07	4,350.60	001036	STANDARD INSURANCE COMPANY		15507	NOV LIFE/AD&D INS	4,350.60	
23733	11/09/07	2,678.80	002805	TELEPATH CORPORATION		15202	OUT RPR EQUIP	803.64	
						15203	OUT RPR EQUIP	1,875.16	
23734	11/09/07	113.95	001752	THOMPSON PUBLISHING GROUP, INC.		15492	HARRASS. INVTG HNDBK	113.95	
23735	11/09/07	1,519.01	002504	TIFCO INDUSTRIES		15318	PARTS & SUPPLIES	44.70	
						15319	PARTS & SUPPLIES	182.48	
						15373	PARTS & SUPPLIES	1,291.83	
23736	11/09/07	128.23	170	TOWNSEND'S AUTO PARTS		15153	PARTS & SUPPLIES	16.69	
						15154	PARTS & SUPPLIES	111.54	
23737	11/09/07	6,404.65	001038	TWINVISION NA INC.		15377	REV VEH PARTS	6,404.65	
23738	11/09/07	23.94	007	UNITED PARCEL SERVICE		15429	FRT OUT-FLT	23.94	
23739	11/09/07	10.83	946	UNITED SITE SERVICES		15321	10/17-11/13 RENTAL	10.83	
23740	11/09/07	16,667.56	002829	VALLEY POWER SYSTEMS, INC.		15264	REV VEH PARTS	1,474.74	
						15309	OUT RPR REV VEH	4,379.81	
						15310	OUT RPR REV VEH	4,382.39	
						15401	REV VEH PARTS	170.39	
						15402	REV VEH PARTS	5,585.93	
						15403	REV VEH PARTS	479.33	
						15405	PARTS & SUPPLIES	149.12	
						15406	PARTS & SUPPLIES	45.85	
23741	11/09/07	6,870.14	001083	WATSONVILLE TRANSPORTATION, INC		15184	10/8-10/16 SVC PT	6,870.14	
23742	11/09/07	212.67	436	WEST PAYMENT CENTER		15230	CA CIV PRAC UPDATE	212.67	

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23743	11/09/07	1,605.80	001506	WESTERN STATES OIL CO., INC.		15312	FUEL & LUBE/FLT	1,605.80	
23744	11/09/07	25.88	754	WINZER CORPORATION		15313	PARTS & SUPPLIES	25.88	
23745	11/09/07	44.00	E075	WOODBIDGE, ELIZABETH		15432	DMV FEES	44.00	
23746	11/09/07	146.34	871	YARDER MANUFACTURING COMPANY		15251	REV VEH PARTS	146.34	
23747M	11/08/07	500.00	R506	AIPING ZHANG AND PO ZHAO SETTLEMENT/RISK		15708	SETTLEMENT/RISK	500.00	MANUAL
23748	11/16/07	200.00	002069	A TOOL SHED, INC.		15459	EQUIP RENTAL	274.90	
23749	11/16/07	98.94	932	A.L. LEASE COMPANY, INC.		15603	CREDIT MEMO	-74.90	
						15590	REPAIRS/MAINTENANCE	6.84	
						15634	REPAIRS/MAINTENANCE	55.61	
						15635	REPAIRS/MAINTENANCE	36.49	
23750	11/16/07	516.05	382	AIRTEC SERVICE		15446	OUT RPR BLDG & MAINT	516.05	
23751	11/16/07	296.66	294	ANDY'S AUTO SUPPLY		15220	REV VEH PARTS	84.58	
						15374	REV VEH PARTS	84.58	
						15559	REV VEH PARTS	127.50	
23752	11/16/07	312.18	856	ANGI INTERNATIONAL LLC		15622	REPAIRS/MAINTENANCE	312.18	
23753	11/16/07	721.11	395	APPLIED GRAPHICS, INC.		15612	OFFICE SUPPLIES	721.11	
23754	11/16/07	119.42	001A	AT&T/MCI		15573	OCT PHONES/FAC	119.42	
23755	11/16/07	6.22	002689	B & B SMALL ENGINE		15427	REPAIRS/MAINTENANCE	6.22	
23756	11/16/07	48.42	M033	BAILEY, NEIL	7	9001375	MED PYMT SUPP	48.42	
23757	11/16/07	50.32	M068	BASS, BETTY	7	9001388	MED PYMT SUPP	50.32	
23758	11/16/07	31.30	E271	BAUER, FRANK		15687	OFFICE SUPPLIES	31.30	
23759	11/16/07	7,666.22	664	BAY COUNTIES PITCOCK PETROLEUM		15694	LUB & FUEL/FLT	7,666.22	
23760	11/16/07	334.25	001047	BOBBY'S PIT STOP		15455	OUT RPR OTH VEH	47.75	
						15462	SMOG CHECK	47.75	
						15463	SMOG CHECK	47.75	
						15532	SMOG CHECK	47.75	
						15534	SMOG CHECK	47.75	
						15570	SMOG CHECK	47.75	
						15571	SMOG CHECK	47.75	
23761	11/16/07	355.07	144	BOSS MANUFACTURING CO.		15567	SAFETY SUPPLIES	355.07	
23762	11/16/07	895.00	002035	BOWMAN & WILLIAMS		15229	CHINA GRADE ROAD	895.00	
23763	11/16/07	78.87	M077	BRADFORD, THOMAS	7	9001396	MED PYMT SUPP	78.87	
23764	11/16/07	177.12	M072	BRIDINGER, CHRIS	7	9001391	MED PYMT SUPP	177.12	
23765	11/16/07	48.42	M078	BRIDINGER, DENISE	7	9001397	MED PYMT SUPP	48.42	
23766	11/16/07	48.42	M079	BROGDON, ROY		9001398	MED PYMT SUPP	48.42	
23767	11/16/07	122.64	M022	CAPELLA, KATHLEEN	7	9001374	MED PYMT SUPP	122.64	
23768	11/16/07	1,075.61	002034	CARLON'S FIRE EXTINGUISHER		15416	ANNUAL SERVICE	58.20	
						15417	ANNUAL SERVICE	25.60	
						15418	ANNUAL SERVICE	85.80	
						15419	ANNUAL SERVICE	29.40	
						15420	ANNUAL SERVICE	156.08	
						15421	ANNUAL SERVICE	73.77	
						15422	ANNUAL SERVICE	56.60	
						15423	ANNUAL SERVICE	161.36	
						15424	ANNUAL SERVICE	428.80	
23769	11/16/07	222.73	002882	CARR PARTS NAPA		15397	PARTS & SUPPLIES	53.48	
						15551	REV VEH PARTS	169.25	
23770	11/16/07	24.22	M080	CARR, DALE	7	9001399	MED PYMT SUPP	24.22	
23771	11/16/07	61.33	M073	CENTER, DOUG	7	9001392	MED PYMT SUPP	61.33	

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23772	11/16/07	2,074.84	172	CENTRAL WELDER'S SUPPLY, INC.		15372	PARTS & SUPPLIES	234.71	
						15386	TOOL-WELDER	1,649.20	
						15560	PARTS & SUPPLIES	190.93	
23773	11/16/07	175.80	739	CENTURY CHEVROLET		15484	REV VEH PARTS	175.80	
23774	11/16/07	24.22	M036	CERVANTES, GLORIA	7	9001376	MED PYMT SUPP	24.22	
23775	11/16/07	5.00	561	CITY OF SANTA CRUZ-POLICE DEPT		15602	FIRE ALARM REG	5.00	
23776	11/16/07	11,579.68	667	CITY OF SCOTTS VALLEY		15698	BLUEBONNET LANE	7,645.34	
						15699	WASTEWATER	3,934.34	
23777	11/16/07	64.00	E626	CLARK, CARTER A		15700	DMV FEES	64.00	
23778	11/16/07	32.30	M090	CLARKE, PATRICIA	7	9001405	MED PYMT SUPP	32.30	
23779	11/16/07	55.00	001084	CLUTCH COURIERS		15490	PROF SVCS/RISK	55.00	
23780	11/16/07	47,073.42	002569	COMERICA BANK		15505	WORK COMP FUND	47,073.42	
23781	11/16/07	184.00	367	COMMUNITY TELEVISION OF		15499	TV COVERAGE 10/26-	184.00	
23782	11/16/07	70.38	002063	COSTCO		15383	LOCAL MEETING EXP	36.12	
						15433	PHOTO PROCESS/OPS	7.70	
						15434	PHOTO PROCESS/OPS	4.50	
						15435	PHOTO PROCESS/OPS	11.08	
						15436	PHOTO PROCESS/OPS	10.98	
23783	11/16/07	72.86	M116	CRAMBLETT, LAWRENCE		9001422	MED PYMT SUPP	72.86	
23784	11/16/07	61.33	M092	CRAWFORD, TERRI	7	9001406	MED PYMT SUPP	61.33	
23785	11/16/07	916.05	002814	CREATIVE BUS SALES, INC.		15518	REV VEH PARTS	916.05	
23786	11/16/07	780.92	001048	CRUZ CAR WASH		15519	OCT VEH WASH/PT	780.92	
23787	11/16/07	4,719.87	504	CUMMINS WEST, INC.		15378	REV VEH PARTS	3,686.06	
						15553	REV VEH PARTS	1,033.81	
23788	11/16/07	24.22	M039	DAVILA, ANA MARIA	7	9001377	MED PYMT SUPP	24.22	
23789	11/16/07	3,329.02	157	DELL MARKETING L.P.		15513	LATT D630 LAPTOP	1,694.90	
						15514	LATT D630 LAPTOP	1,634.12	
23790	11/16/07	47,967.11	001316	DEVCO OIL		15641	11/7-11/13 FUEL FLT	47,967.11	
23791	11/16/07	1,420.00	002624	DIGITAL RECORDERS		15607	REV VEH PARTS	1,420.00	
23792	11/16/07	5,860.89	085	DIXON & SON TIRE, INC.		15205	TIRES & TUBES	2,007.00	
						15206	TIRES & TUBES	1,021.54	
						15410	TIRES & TUBES	587.80	
						15411	TIRES & TUBES	501.75	
						15412	TIRES & TUBES	414.87	
						15413	TIRES & TUBES	674.51	
						15475	TIRES & TUBES	387.61	
						15522	TIRES & TUBES	265.81	
23793	11/16/07	61.33	M095	DIXON, GEORGE	7	9001407	MED PYMT SUPP	61.33	
23794	11/16/07	61.33	M096	DRAKE, JUDITH	7	9001408	MED PYMT SUPP	61.33	
23795	11/16/07	802.00	001492	EVERGREEN OIL INC.		15369	HAZ WASTE DISP	247.00	
						15621	HAZ WASTE DISP	65.00	
						15633	HAZ WASTE DISP	490.00	
23796	11/16/07	61.33	M098	FAUCI, SUSAN	7	9001409	MED PYMT SUPP	61.33	
23797	11/16/07	61.33	M099	FIKE, LOUIS	7	9001410	MED PYMT SUPP	61.33	
23798	11/16/07	10.00	E422	FLORES, JUAN		15598	DMV FEES	10.00	
23799	11/16/07	154.94	M074	GABRIELE, BERNARD	7	9001393	MED PYMT SUPP	154.94	
23800	11/16/07	24.22	M040	GARBEZ, LINDA	7	9001378	MED PYMT SUPP	24.22	
23801	11/16/07	48.42	M100	GARCIA, SANTIAGO	7	9001411	MED PYMT SUPP	48.42	
23802	11/16/07	825.47	711	GLASS DOCTOR	7	15209	REV VEH PARTS	585.90	
						15453	SMALL TOOL	239.57	

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23803	11/16/07	61.33	M101	GOES, ALAN	7	9001412	MED PYMT SUPP	61.33	
23804	11/16/07	48.42	M041	GOUVEIA, ROBERT	7	9001379	MED PYMT SUPP	48.42	
23805	11/16/07	1,202.98	282	GRAINGER		15368	REPAIRS/MAINTENANCE	93.20	
						15568	SMALL TOOLS	409.39	
						15591	SMALL TOOLS	700.39	
23806	11/16/07	4,480.00	341	GRANITE CONSTRUCTION CO.		15537	ASPHALT RPR/PACIFIC	4,480.00	
23807	11/16/07	14.32	546	GRANITE ROCK COMPANY		15447	REPAIRS/MAINTENANCE	14.32	
23808	11/16/07	393.92	001097	GREENWASTE RECOVERY, INC.		15544	OCT MT HERMON/KINGS	57.60	
						15545	OCT 246 KINGS VLG	165.76	
						15546	OCT RESEARCH PARK	170.56	
23809	11/16/07	48.42	M081	HALL, JAMES	7	9001400	MED PYMT SUPP	48.42	
23810	11/16/07	89.87	510A	HASLER, INC.		15686	12/1-12/31 RENTAL	48.83	
						15696	DEC RENTAL/PT	41.04	
23811	11/16/07	241.33	M016	HICKLIN, DONALD KENT	7	9001373	MED PYMT SUPP	241.33	
23812	11/16/07	24.25	M082	HINDIN, LENORE	7	9001401	MED PYMT SUPP	24.25	
23813	11/16/07	28,000.00	002116	HINSHAW, EDWARD & BARBARA	7	9001367	370 ENCINAL RENT	28,000.00	
23814	11/16/07	62.96	M043	HOLODNICK, JAMES	7	9001380	MED PYMT SUPP	62.96	
23815	11/16/07	662.45	166	HOSE SHOP, THE		15609	REV VEH PARTS	169.06	
						15616	PARTS & SUPPLIES	35.26	
						15617	PARTS & SUPPLIES	237.87	
						15618	PARTS & SUPPLIES	90.56	
						15630	REPAIRS/MAINTENANCE	1.12	
						15631	REPAIRS/MAINTENANCE	88.86	
						15632	REPAIRS/MAINTENANCE	39.72	
23816	11/16/07	72.86	M075	HOWARD, CAROL	7	9001394	MED SUPP PYMT	72.86	
23817	11/16/07	1,082.88	001132	INLINE TRANSLATION SVCS, INC.		15480	TRANSLATION SVCS	1,082.88	
23818	11/16/07	17,625.54	002117	IULIANO	7	14785	07/08 PROP TAX #1	384.30	
						14786	07/08 PROP TAX #1	2,481.43	
						14787	OVER PAYMENT	-0.17	
						9001368	111 DUBOIS RENT	11,595.94	
						9001369	115 DUBOIS RENT	3,164.04	
23819	11/16/07	61.33	M069	JACOBS, KENNETH	7	9001389	MED PYMT SUPP	61.33	
23820	11/16/07	32.30	M103	JEMISON, MAURICE	7	9001413	MED PYMT SUPP	32.30	
23821	11/16/07	2,706.85	110	JESSICA GROCERY STORE, INC.		9001370	CUSTODIAL SERVICES	2,706.85	
23822	11/16/07	38.50	405	JOHN'S ELECTRIC MOTOR SVC	7	15593	OUT RPR EQUIP	38.50	
23823	11/16/07	61.33	M104	JUSSEL, PETE	7	9001414	MED PYMT SUPP	61.33	
23824	11/16/07	377.09	M061	KAMEDA, TERRY	7	9001386	MED PYMT SUPP	377.09	
23825	11/16/07	4,544.00	878	KELLY SERVICES, INC.		15701	TEMP/IT W/E 11/4	2,272.00	
						15707	TEMP/IT W/E 10/28	2,272.00	
23826	11/16/07	32.30	M105	KOHAMA, MARY	7	9001415	MED PYMT SUPP	32.30	
23827	11/16/07	294.00	001093	KROLL LABORATORY SPECIALISTS		15506	SEPT/OCT DRUG TESTS	294.00	
23828	11/16/07	39.19	001050	LADD INDUSTRIES		15613	PARTS & SUPPLIES	39.19	
23829	11/16/07	1,712.00	852	LAW OFFICES OF MARIE F. SANG	7	15704	WORKERS COMP CLAIM	1,216.00	
						15705	WORKERS COMP CLAIM	224.00	
						15706	WORKERS COMP CLAIM	272.00	
23830	11/16/07	341.08	107A	LUMBERMENS		15215	PARTS & SUPPLIES	11.67	
						15216	REPAIRS/MAINTENANCE	26.56	
						15217	CREDIT MEMO	-11.21	
						15218	REV VEH PARTS	38.60	
						15219	CLEANING SUPPLIES	6.82	

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						15245	REPAIRS/MAINTENANCE	17.64	
						15259	REPAIRS/MAINTENANCE	30.94	
						15425	REPAIRS/MAINTENANCE	118.64	
						15426	REPAIRS/MAINTENANCE	14.59	
						15437	PARTS & SUPPLIES	35.13	
						15440	PARTS & SUPPLIES	12.68	
						15441	SMALL TOOL	39.02	
23831	11/16/07	32.30	M106	LYALL, JOHN	7	9001416	MED PYMT SUPP	32.30	
23832	11/16/07	1,407.05	001119	MACERICH PARTNERSHIP LP	7	9001366	CAPITOLA MALL RENT	1,407.05	
23833	11/16/07	1,106.07	001358	MARINA MOTOR COMPANY		15481	OUT RPR REV VEH	625.29	
						15482	OUT RPR REV VEH	480.78	
23834	11/16/07	128.39	013	MCI SERVICE PARTS, INC.		15400	REV VEH PARTS	62.22	
						15552	REV VEH PARTS	66.17	
23835	11/16/07	874.90	001052	MID VALLEY SUPPLY		15606	CLEANING SUPPLIES	455.70	
						15627	CLEANING SUPPLIES	419.20	
23836	11/16/07	61.33	M108	MILLER, FOREST	7	9001417	MED PYMT SUPP	61.33	
23838	11/16/07	1,412.98	041	MISSION UNIFORM		15221	UNIF & LAUNDRY	82.37	
						15222	UNIF & LAUNDRY	143.25	
						15223	UNIF & LAUNDRY	59.51	
						15224	UNIF & LAUNDRY	70.00	
						15225	UNIF & LAUNDRY	62.82	
						15226	UNIF & LAUNDRY	277.87	
						15288	UNIF/LAUNDRY/PT	49.65	
						15428	UNIF & LAUNDRY	80.66	
						15442	UNIF & LAUNDRY	115.44	
						15443	UNIF & LAUNDRY	282.53	
						15444	UNIF & LAUNDRY	62.82	
						15445	UNIF & LAUNDRY	44.78	
						15581	UNIF/LAUNDRY/FAC	18.32	
						15582	UNIF/LAUNDRY/FAC	18.32	
						15583	UNIF/LAUNDRY/FAC	4.00	
						15584	UNIF/LAUNDRY/FAC	18.32	
						15585	UNIF/LAUNDRY/FAC	22.32	
23839	11/16/07	160.58	288	MUNCIE TRANSIT SUPPLY		15466	REV VEH PARTS	160.58	
23840	11/16/07	3,737.73	001063	NEW FLYER INDUSTRIES LIMITED		15554	REV VEH PARTS	955.18	
						15555	REV VEH PARTS	702.10	
						15556	REV VEH PARTS	1,095.28	
						15625	REV VEH PARTS	4.00	
						15626	REV VEH PARTS	981.17	
23841	11/16/07	3,067.18	002721	NEXTEL COMMUNICATIONS		15599	OCT PHONES/OPS	1,740.37	
						15695	OCT PHONES/PT	1,326.81	
23842	11/16/07	314.62	004	NORTH BAY FORD LINC-MERCURY		15199	OUT RPR OTH VEH	159.10	
						15207	REV VEH PARTS	67.54	
						15208	REV VEH PARTS	19.19	
						15366	REV VEH PARTS	68.79	
23843	11/16/07	24.22	M050	O'MARA, KATHLEEN	7	9001381	MED PYMT SUPP	24.22	
23844	11/16/07	46,637.50	001080	OCTAGON RISK SERVICES, INC.		15703	DEC-FEB WC ADM FEE	46,637.50	
23845	11/16/07	18,587.40	009	PACIFIC GAS & ELECTRIC		15543	9/29-10/26 RIVER ST	8.10	
						15597	10/3-10/31 PACIFIC	1,975.65	
						15600	9/30-10/31 RIVER	13,206.46	

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						15679	9/12-11/6 KINGS VLG	2,118.44	
						15685	9/30-10/26 VERNON	1,278.75	
23846	11/16/07	3,410.00	001044	PACKET FUSION, INC.		15702	MAINTENANCE SUPPORT	3,410.00	
23847	11/16/07	879.43	043	PALACE ART & OFFICE SUPPLY		15189	OFFICE SUPPLIES/ADM	292.04	
						15243	OFFICE SUPPLIES/PT	-67.44	
						15244	OFFICE SUPPLIES/PT	-31.97	
						15256	OFFICE SUPPLIES/FIN	27.06	
						15258	OFFICE SUPPLIES/FIN	16.17	
						15472	OFFICE SUPPLIES/ADM	415.21	
						15572	OFFICE SUPPLIES	204.41	
						15636	OFFICE SUPPLIES/PT	23.95	
23848	11/16/07	887.00	950	PARADISE LANDSCAPE	7	15448	NOV MAINTENANCE	887.00	
23849	11/16/07	346.62	M057	PARHAM, WALLACE	7	9001384	MED PYMT SUPP	346.62	
23850	11/16/07	48.42	M051	PENDRAGON, LINDA	7	9001382	MED PYMT SUPP	48.42	
23851	11/16/07	62.96	M109	PEREZ, CHERYL		9001418	MED PYMT SUPP	62.96	
23852	11/16/07	308.52	M064	PETERS, TERRIE	7	9001387	MED PYMT SUPP	308.52	
23853	11/16/07	61.33	M070	PICARELLA, FRANCIS	7	9001390	MED PYMT SUPP	61.33	
23854	11/16/07	644.00	481	PIED PIPER EXTERMINATORS, INC.		15574	OCT PEST CONTROL	48.50	
						15575	OCT PEST CONTROL	53.00	
						15576	OCT PEST CONTROL	183.00	
						15577	OCT PEST CONTROL	48.50	
						15578	OCT PEST CONTROL	241.00	
						15579	OCT PEST CONTROL	70.00	
23855	11/16/07	61.33	M117	POLANCO, ANDRES		9001423	MED PYMT SUPP	61.33	
23856	11/16/07	132.50	187	POLAR RADIATOR SERVICE INC		15460	OUT RPR REV VEH	132.50	
23857	11/16/07	346.62	M058	POTEETE, BEVERLY	7	9001385	MED PYMT SUPP	346.62	
23858	11/16/07	38.04	087	RECOGNITION SERVICES		15538	EMP INCENTIVE 25	38.04	
23859	11/16/07	118.43	061A	REGISTER PAJARONIAN		15542	CLASS ADV-FLT	118.43	
23860	11/16/07	58.41	002094	RICON CORPORATION		15452	REV VEH PARTS	58.41	
23861	11/16/07	315.76	M005	ROSS, EMERY	7	9001371	MED PYMT SUPP	315.76	
23862	11/16/07	48.42	M085	ROSSI, DENISE	7	9001402	MED PYMT SUPP	48.42	
23863	11/16/07	3,737.96	018	SALINAS VALLEY FORD SALES		15465	REV VEH PARTS	2,663.81	
						15536	REV VEH PARTS	1,074.15	
23864	11/16/07	32.30	M111	SANCHEZ, FELIX	7	9001419	MED PYMT SUPP	32.30	
23865	11/16/07	1,774.04	002713	SANTA CRUZ AUTO TECH, INC.		15520	OUT RPR REV VEH	413.78	
						15521	OUT RPR REV VEH	130.89	
						15569	OUT RPR OTH VEH	839.99	
						15678	OUT RPR REV VEH	389.38	
23867	11/16/07	2,542.02	135	SANTA CRUZ AUTO PARTS, INC.		15212	PARTS & SUPPLIES	32.33	
						15213	PARTS & SUPPLIES	34.47	
						15214	OUT RPR EQUIP	86.70	
						15248	PARTS & SUPPLIES	60.54	
						15249	REV VEH PARTS	492.16	
						15260	PARTS & SUPPLIES	57.62	
						15282	REV VEH PARTS	78.98	
						15283	REV VEH PARTS	40.00	
						15375	REV VEH PARTS	67.70	
						15398	REV VEH PARTS	17.25	
						15399	REV VEH PARTS	5.40	
						15438	REV VEH PARTS	29.03	

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						15439	OTH MOB SUPPLIES	71.18	
						15467	REV VEH PARTS	507.13	
						15468	REV VEH PARTS	6.60	
						15565	SAFETY SUPPLIES	115.79	
						15566	SAFETY SUPPLIES	839.14	
23868	11/16/07	15.00	001944	SANTA CRUZ COUNTY LAW LIBRARY		15393	QUARTERLY MIN CHARGE	15.00	
23869	11/16/07	40.00	960	SANTA CRUZ COUNTY EAC		15231	ANNUAL MEMBERSHIP	40.00	
23870	11/16/07	11.92	079	SANTA CRUZ MUNICIPAL UTILITIES		15688	OCT LANDFILL	11.92	
23871	11/16/07	1,501.82	002459	SCOTT'S VALLEY WATER DISTRICT		15619	8/9-10/9 KINGS VLG	1,501.82	
23872	11/16/07	69.06	276	SCOTT'S VALLEY SPRINKLER		15586	REPAIRS/MAINTENANCE	69.06	
23873	11/16/07	492.00	957	SECURITY SHORING & STEEL PLT		15592	8/28-10/27 RENTAL	492.00	
23874	11/16/07	30.00	880	SEISINT, INC.		15470	PROF/TECH SVC/RISK	30.00	
23875	11/16/07	52.48	002447	SETON IDENTIFICATION PRODUCTS		15458	NAMEPLATE	26.24	
						15595	NAMEPLATE	26.24	
23876	11/16/07	2,500.00	002267	SHAW & YODER, INC.		15385	OCT LEGISLATIVE SVCS	2,500.00	
23877	11/16/07	363.97	M010	SHORT, SLOAN	7	9001372	MED PYMT SUPP	363.97	
23878	11/16/07	61.33	M112	SILVA, EDUARDO	7	9001420	MED PYMT SUPP	61.33	
23879	11/16/07	100.00	B016	SKILLICORN, DALE	7	15596	NOV BOARD MTGS	100.00	
23880	11/16/07	48.42	M054	SLOAN, FRANCIS	7	9001383	MED PYMT SUPP	48.42	
23881	11/16/07	3,480.00	002067	SOIL CONTROL		15449	WATER SAMPLES	1,160.00	
						15450	WATER SAMPLES	1,160.00	
						15451	WATER SAMPLES	1,160.00	
23882	11/16/07	11,651.11	001075	SOQUEL III ASSOCIATES	7	9001365	RESEARCH PARK RENT	11,651.11	
23883	11/16/07	12,559.31	001648	STEVE'S UNION SERVICE		15479	OCT FUEL/PT	12,559.31	
23884	11/16/07	2,707.41	002805	TELEPATH CORPORATION		15456	NOV MAINT & REPAIRS	2,707.41	
23885	11/16/07	1,705.26	001800	THERMO KING OF SALINAS, INC		15557	REV VEH PARTS	378.99	
						15558	REV VEH PARTS	1,326.27	
23886	11/16/07	776.79	002504	TIFCO INDUSTRIES		15540	CREDIT MEMO	-24.99	
						15541	CREDIT MEMO	-3.29	
						15561	PARTS & SUPPLIES	62.72	
						15562	PARTS & SUPPLIES	585.50	
						15563	PARTS & SUPPLIES	156.85	
23887	11/16/07	24.22	M086	TOLINE, DONALD	7	9001403	MED PYMT SUPP	24.22	
23888	11/16/07	64.97	170	TOWNSEND'S AUTO PARTS		15564	CLEANING SUPPLIES	64.97	
23889	11/16/07	450.00	001491	TRI-COUNTY FIRE PROTECTION INC		15580	SPRINKLER RPR	450.00	
23890	11/16/07	5,491.38	057	U.S. BANK		4246044555645971		149.00	
						15681	4246044555645971	1,621.09	
						15682	4246044555645971	1,251.46	
						15683	4246044555645971	710.99	
						15684	4246044555645971	1,758.84	
23891	11/16/07	854.81	068	UNITED LABORATORIES		15367	REPAIRS/MAINTENANCE	580.40	
						15667	REPAIRS/MAINTENANCE	274.41	
23892	11/16/07	112.28	007	UNITED PARCEL SERVICE		15526	FRT OUT-FLT	112.28	
23894	11/16/07	327,977.63	002829	VALLEY POWER SYSTEMS, INC.		15404	REV VEH PARTS	99.26	
						15461	REBUILD TRANSMISSION	7,921.85	
						15527	REV VEH PARTS	89.06	
						15528	REV VEH PARTS	370.11	
						15547	REV VEH PARTS	1,918.71	
						15548	REV VEH PARTS	200.82	
						15549	REV VEH PARTS	4,154.77	

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					15550	REV VEH PARTS	288.03	
					15604	CORE CREDIT	-415.56	
					15605	REV VEH PARTS	3,643.57	
					15614	ENG REPOWER #2235	154,745.06	
					15615	ENG REPOWER #2210	154,745.06	
					15623	REV VEH PARTS	110.40	
					15624	REV VEH PARTS	106.49	
23895	11/16/07	177.12	M076 VONWAL, YVETTE	7	9001395	MED PYMT SUPP	177.12	
23896	11/16/07	3,561.20	001083 WATSONVILLE TRANSPORTATION, INC		15286	10/17-10/24 PT SVCS	1,441.62	
					15523	10/25-10/31 PT SVCS	2,119.58	
23897	11/16/07	70.00	682 WEISS, AMY L.	7	15384	OCT INTERPRETER	70.00	
23898	11/16/07	1,823.55	001506 WESTERN STATES OIL CO., INC.		15611	FUEL & LUBE/FLT	1,823.55	
23899	11/16/07	377.30	001001 WEYERHAEUSER PAPER CO.		15371	SHREDDING SERVICES	377.30	
23900	11/16/07	46.92	042 WFCB-OSH COMMERCIAL SERVICES		15587	REPAIRS/MAINTENANCE	6.47	
					15588	REPAIRS/MAITENANCE	11.46	
					15589	REPAIRS/MAINTENANCE	40.03	
					15601	ON TIME CREDIT	-11.04	
23901	11/16/07	22,916.99	002875 WILBUR SMITH ASSOCIATES		15515	9/1-9/29 PROF SVCS	22,916.99	
23902	11/16/07	72.86	M115 WILLIAMS, CHRIS	7	9001421	MED PYMT SUPP	72.86	
23903	11/16/07	24.22	M088 YAGI, RANDY	7	9001404	MED PYMT SUPP	24.22	
23904	11/16/07	103.13	147 ZEE MEDICAL SERVICE CO.		15594	SAFETY SUPPLIES	36.51	
					15664	SAFETY SUPPLIES	66.62	
23905	11/16/07	369.59	148 ZEP MANUFACTURING COMPANY		15370	CLEANING SUPPLIES	369.59	
23906M	11/20/07	205.63	372 FEDERAL EXPRESS		15846	OCT/NOV MAIL	205.63	MANUAL
23907M	11/20/07	450.00	002903 DMV-ETP		15844	DMV EMP TESTING	450.00	MANUAL
23908M	11/26/07	2,000.00	001140 UNIVERSITY INN & HOLIDAY PARTY		15845	HOLIDAY PARTY	2,000.00	MANUAL
23909	11/30/07	40.50	002069 A TOOL SHED, INC.		15790	EQUIP RENTAL	40.50	
23910	11/30/07	423.10	001263 ABBOTT STREET RADIATOR, INC.		15665	OUT RPR REV VEH	423.10	
23911	11/30/07	57.83	E437 AITKEN, ANGELA		15837	HOLIDAY PARTY	57.83	
23912	11/30/07	20.36	294 ANDY'S AUTO SUPPLY		15663	PARTS & SUPPLIES	7.45	
					15672	PARTS & SUPPLIES	12.91	
23913	11/30/07	268.77	395 APPLIED GRAPHICS, INC.		15787	PRINTING/FLT	268.77	
23914	11/30/07	16,935.69	941 ASSURANT EMPLOYEE BENEFITS		15841	DEC LTD INS	16,935.69	
23915	11/30/07	1,544.40	876 ATCHISON, BARISONE, CONDOTTI &		15842	LEGAL SVCS/METROBASE	22.15	
					15843	LEGAL SVCS/RIVER ST	1,522.25	
23916	11/30/07	19.03	002689 B & B SMALL ENGINE		15535	OUT RPR EQUIP	19.03	
23917	11/30/07	64.80	123 BAY PHOTO LAB		15771	PRINTING SUPPLIES	64.80	
23918	11/30/07	47.75	001047 BOBBY'S PIT STOP		15533	SMOG CHECK	47.75	
23919	11/30/07	15,000.00	616 BROWN ARMSTRONG		15836	07 AUDIT SERVICES	15,000.00	
23920	11/30/07	397,786.65	502 CA PUBLIC EMPLOYEES'		15839	DEC MEDICAL INS	397,786.65	
23921	11/30/07	1,196.00	002287 CALIFORNIA SERVICE EMPLOYERS		15838	DEC MEDICAL	1,196.00	
23922	11/30/07	68.56	002882 CARR PARTS NAPA		15669	REV VEH PARTS	73.99	
					15670	CORE CREDIT/089461	-5.43	
23923	11/30/07	251.14	739 CENTURY CHEVROLET		15644	REV VEH PARTS	125.57	
					15645	REV VEH PARTS	125.57	
23924	11/30/07	5,000.00	002346 CHANEY, CAROLYN & ASSOC., INC.		15800	NOV LEGISLATIVE SVCS	5,000.00	
23925	11/30/07	2,041.93	130 CITY OF WATSONVILLE UTILITIES		15748	10/1-11/1 RODRIGUEZ	10.34	

5-1.13

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

DATE: 11/01/07 THRU 11/30/07

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
						15809	CONTAINER/RODRIGUEZ	1,403.08	
						15810	9/5-11/5 RODRIGUEZ	50.23	
						15811	9/5-11/5 RODRIGUEZ	65.64	
						15812	9/5-11/5 RODRIGUEZ	512.64	
23926	11/30/07	80.43	075	COAST PAPER & SUPPLY INC.		15620	CLEANING SUPPLIES	80.43	
23927	11/30/07	52.52	002063	COSTCO		15539	LOCAL MEETING EXP	12.16	
						15689	PHOTO PROCESS/OPS	2.53	
						15690	PHOTO PROCESS/OPS	19.57	
						15691	PHOTO PROCESS/OPS	14.08	
						15692	PHOTO PROCESS	4.18	
23928	11/30/07	60.90	001025	COUNTY OF SANTA CRUZ		15834	WOODWASTE	60.90	
23929	11/30/07	171.90	001138	DATALED TECHNOLOGIES, INC		15780	REV VEH PARTS	171.90	
23930	11/30/07	38,551.15	800	DELTA DENTAL PLAN		15840	DEC DENTAL	38,551.15	
23931	11/30/07	160.00	002567	DEPARTMENT OF JUSTICE		15746	OCT FINGERPRINTS	160.00	
23932	11/30/07	1,229.31	480	DIESEL MARINE ELECTRIC, INC.		15529	REV VEH PARTS	1,229.31	
23933	11/30/07	3,892.03	085	DIXON & SON TIRE, INC.		15643	TIRES & TUBES	129.90	
						15673	TIRES & TUBES	449.68	
						15674	TIRES & TUBES	400.05	
						15675	TIRES & TUBES	1,249.40	
						15676	TIRES & TUBES	1,254.38	
						15677	TIRES & TUBES	408.62	
23935	11/30/07	450.00	916	DOCTORS ON DUTY		15729	DRUG TEST	25.00	
						15730	DRUG TEST	30.00	
						15731	DRUG TEST	25.00	
						15732	DRUG TEST	25.00	
						15733	DRUG TEST	25.00	
						15734	DRUG TEST	25.00	
						15735	DRUG TEST	30.00	
						15736	DRUG TEST	25.00	
						15737	DRUG TEST	25.00	
						15738	DRUG TEST	25.00	
						15739	DRUG TEST	25.00	
						15740	DRUG TEST	30.00	
						15741	DRUG TEST	25.00	
						15742	DRUG TEST	25.00	
						15743	DRUG TEST	30.00	
						15744	DRUG TEST	25.00	
						15745	DRUG TEST	30.00	
23936	11/30/07	500.00	002862	ECOLOGICAL CONCERNS INC.		15832	OCT HABITAT MAINT/MB	500.00	
23937	11/30/07	18.11	002307	EWING IRRIGATION PRODUCTS		15788	REPAIRS/MAINTENANCE	18.11	
23938	11/30/07	1,002.70	001029	GOLDEN GATE SYSTEMS		15805	TURBO IMPACT PRINTER	1,002.70	
23939	11/30/07	404.08	282	GRAINGER		15772	CLEANING SUPPLY	96.65	
						15785	PARTS & SUPPLIES	31.08	
						15786	SAFETY SUPPLIES	276.35	
23940	11/30/07	131.42	546	GRANITE ROCK COMPANY		15762	REPAIRS/MAINTENANCE	131.42	
23941	11/30/07	44.00	E403	HILL, ANDREW		15795	DMV FEES	44.00	
23942	11/30/07	4,544.00	878	KELLY SERVICES, INC.		15806	TEMP/IT W/E 11/11	2,272.00	
						15827	TEMP/IT W/E 11/18	2,272.00	
23943	11/30/07	24.85	074	KENVILLE LOCKSMITHS	7	15668	REPAIRS/MAINTENANCE	24.85	
23944	11/30/07	208.00	852	LAW OFFICES OF MARIE F. SANG	7	15803	WORKERS COMP CLAIM	96.00	

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

DATE: 11/01/07 THRU 11/30/07

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
23945	11/30/07	91.59	107A	LUMBERMENS		15804	WORKERS COMP CLAIM	112.00	
						15530	REPAIRS/MAINTENANCE	3.22	
						15531	BUS STOP IMP	53.23	
						15628	REPAIRS/MAINTENANCE	35.14	
23946	11/30/07	50.00	E628	LUNA, SUE		15793	HOLIDAY PARTY RAFFLE	50.00	
23947	11/30/07	122.95	E627	MACDONELL, RYAN		15799	8/28-9/25 EMP TRAIN	122.95	
23948	11/30/07	650.00	764	MERCURY METALS		15637	OUT RPR REV VEH	650.00	
23949	11/30/07	699.96	041	MISSION UNIFORM		15524	UNIF & LAUNDRY	82.37	
						15629	UNIF/LAUNDRY	22.32	
						15647	UNIF & LAUNDRY	52.62	
						15657	UNIF & LAUNDRY	282.53	
						15658	UNIF & LAUNDRY	54.05	
						15659	UNIF & LAUNDRY	143.25	
						15660	UNIF & LAUNDRY	62.82	
23950	11/30/07	28,480.16	002891	NCLN20, INC.		15824	OCT SECURITY	28,480.16	
23951	11/30/07	46.64	001063	NEW FLYER INDUSTRIES LIMITED		15646	CREDIT MEMO	-4.56	
						15778	REV VEH PARTS	51.20	
23952	11/30/07	460.53	004	NORTH BAY FORD LINC-MERCURY		15638	OUT RPR REV VEH	460.53	
23953	11/30/07	17.67	161	OCEAN CHEVROLET		15608	REV VEH PARTS	17.67	
23954	11/30/07	985.94	009	PACIFIC GAS & ELECTRIC		15749	10/13-11/10 RESEARCH	985.94	
23955	11/30/07	514.44	043	PALACE ART & OFFICE SUPPLY		15697	OFFICE SUPPLIES/OPS	402.19	
						15801	OFFICE SUPPLIES/ADM	73.34	
						15802	OFFICE SUPPLIES/ADM	38.91	
23956	11/30/07	65.00	950	PARADISE LANDSCAPE	7	15761	WEED CONTROL.SVTC	65.00	
23957	11/30/07	154.46	050	PITNEY BOWES INC.		15709	1/08-3/08 RENTAL/MTC	154.46	
23958	11/30/07	173.55	156	PRINT GALLERY, THE		15710	PRINT ROUTE STICKERS	173.55	
23959	11/30/07	109.32	061A	REGISTER PAJARONIAN		15666	CLASS ADV-PURCH	109.32	
23960	11/30/07	142.50	699	SALINAS CASH REGISTER CO INC		15693	OUT REPAIR-EQUIP	142.50	
23961	11/30/07	1,536.58	018	SALINAS VALLEY FORD SALES		15713	REV VEH PARTS	155.81	
						15715	REV VEH PARTS	1,380.77	
23962	11/30/07	910.05	002713	SANTA CRUZ AUTO TECH, INC.		15639	OUT RPR REV VEH	162.00	
						15640	OUT RPR REV VEH	130.89	
						15642	OUT RPR REV VEH	617.16	
23964	11/30/07	1,555.04	135	SANTA CRUZ AUTO PARTS, INC.		15525	REV VEH PARTS	157.15	
						15648	REV VEH PARTS	177.47	
						15649	CREDIT MEMO	-177.47	
						15650	REV VEH PARTS	20.00	
						15651	REV VEH PARTS	55.25	
						15652	REV VEH PARTS	83.35	
						15653	REV VEH PARTS	45.35	
						15654	REV VEH PARTS	95.28	
						15655	REV VEH PARTS	755.08	
						15661	REV VEH PARTS	60.23	
						15662	REV VEH PARTS	48.20	
						15671	SAFETY SUPPLIES	18.25	
						15768	REV VEH PARTS	14.01	
						15769	REV VEH PARTS	5.22	
						15770	REV VEH PARTS	40.00	
						15773	REV VEH PARTS	157.67	
23965	11/30/07	236.00	002700	SANTA CRUZ COUNTY		15797	HEALTH PERMIT/RES.PR	236.00	

5-1:15

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

DATE: 11/01/07 THRU 11/30/07

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR	VENDOR NAME	TRANS. TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
23966	11/30/07	17,883.42	977	SANTA CRUZ TRANSPORTATION, LLC	15718		OCT 07 PT SVCS	17,883.42	
23967	11/30/07	488.31	001	SBC	15822		NOV REPEATERS/OPS	402.44	
					15823		OCT REPEATERS/OPS	85.87	
23968	11/30/07	259.56	001143	STEVE'S REFRIGERATION	15711		OUT RPR EQUIP	259.56	
23969	11/30/07	75.00	E067	SWART, RANDY	15807		DMV FEES	75.00	
23970	11/30/07	44,386.50	970	THE MECHANICS BANK	15792		OCT RETAINAGE/MB	44,386.50	
23971	11/30/07	75.59	002375	U.T.U. LOCAL 23	15833		OFFICE SUPPLY/OPS	75.59	
23972	11/30/07	283.76	007	UNITED PARCEL SERVICE	15763		FRT OUT/FLT	222.96	
					15796		FRT OUT-FLT	60.80	
23973	11/30/07	10.83	946	UNITED SITE SERVICES	15817		11/14-12/11 RENTAL	10.83	
23974	11/30/07	31,853.17	002829	VALLEY POWER SYSTEMS, INC.	15775		ENG REBUILD	10,488.70	
					15776		ENG REBUILD	2,329.42	
					15777		ENG REBUILD	18,519.77	
					15782		REV VEH PARTS	124.59	
					15783		REV VEH PARTS	390.69	
23975	11/30/07	348.70	221	VEHICLE MAINTENANCE PROGRAM	15781		REV VEH PARTS	348.70	
23976	11/30/07	53.33	434B	VERIZON CALIFORNIA	15835		MT BIEWLASKI	53.33	
23977	11/30/07	60.80	434	VERIZON WIRELESS	15828		WIRELESS PC CARD	60.80	
23978	11/30/07	399,478.50	002887	WEST BAY BUILDERS, INC.	15791		CONST SVC MB - 10/31	399,478.50	
23979	11/30/07	94.09	436	WEST PAYMENT CENTER	15747		OCT ACCESS CHARGES	94.09	
23980	11/30/07	454.07	R507	WOOD, SCOTT A.	15798		SETTLEMENT/RISK	454.07	
TOTAL		2,294,980.21		COAST COMMERCIAL BANK			TOTAL CHECKS	356	

5-1.16



Agenda
METRO Advisory Committee

6:00 pm
December 19, 2007
920 Pacific Avenue
Santa Cruz, California

1. Roll Call
2. Agenda Additions/Deletions
3. Oral/Written Communication
4. Consideration of Minutes of November 2007
5. Ridership Report for October 2007
6. ParaCruz Operations Status Report for August 2007
7. Presentation by Catherine Patterson Valdez, Division Director of Lift Line, on the Mobility Outreach and Education (MORE) Program
8. Presentation by Pat Piras on the ADA/504 Accessibility Report
9. Consideration of Assigning a MAC Member to Attend Training Procedures of METRO Operators
10. Discussion of MAC Orientation Procedure and Creating a Guideline Manual
11. Discussion of Creating a Planned Schedule of Events for the 2008 MAC Meetings
12. Discussion of METRO Safety and Injury Policies and Procedures on Buses
13. Communications to METRO General Manager
14. Communications to METRO Board of Directors
15. Items for Next Meeting Agenda
16. Adjournment

Next Meeting: Wednesday, January 16 @ 6:00 pm
Santa Cruz Metro Center Conference Room

5-3.1

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes - METRO Advisory Committee (MAC)

October 17, 2007

A Regular Meeting of the METRO Advisory Committee (MAC) met on Wednesday, October 17, 2007 at the METRO Center Conference Room, 920 Pacific Avenue, Santa Cruz, CA.

Chair Robert Yount called the meeting to order at 6:15 p.m.

1. ROLL CALL:

MEMBERS PRESENT

Heidi Curry
Mara Murphy
Dave Williams
Robert Yount, Chair

MEMBERS ABSENT

Naomi Gunther
Dennis Papadopulo
Stuart Rosenstein

VISITORS PRESENT

Grace Blakeslee, SCCRTC
Steve Prince, UTU

STAFF PRESENT

Ciro Aguirre, Operations Manager
April Warnock, ParaCruz Scheduling Coord.

2. AGENDA ADDITIONS/DELETIONS

None

3. ORAL/WRITTEN COMMUNICATION

Oral: Chair Robert Yount read from a printed email, which is attached to the file copy of these minutes, which was sent to METRO from Dan Alper announcing his resignation from MAC.

Oral: Chair Robert Yount announced that there is a scheduled joint meeting with the METRO Board of Directors, MAC, and Wilbur Smith Associates on Friday, October 19, 2007 regarding the METRO's Short Range Transit Plan (SRTP).

Oral: Ciro Aguirre introduced April Warnock, ParaCruz Schedule Coordinator, and Grace Blakeslee, SCCRTC Transportation Planner, to the attendees of the meeting.

4. CONSIDERATION OF MINUTES OF SEPTEMBER 19, 2007

ACTION: MOTION: MARA MURPHY SECOND: DAVE WILLIAMS

ACCEPT AND FILE MINUTES OF THE SEPTEMBER 19, 2007 MEETING AS PRESENTED.

Motion passed unanimously with Naomi Gunther, Dennis Papadopulo, and Stuart Rosenstein being absent.

5-3.2

5. RIDERSHIP REPORT FOR AUGUST 2007

Chair Robert Yount handed out the Ridership Report for August 2006 for comparison purposes, which is attached to the file copy of these minutes.

Chair Robert Yount read from the report and stated that Route 33 shows an increase in ridership from the previous year and Route 76 shows a decrease. Mr. Yount stated that he is aware that the number of school days the bus is operated on affects the ridership.

Ciro Aguirre reported that some bus routes show low ridership but are continued due to interlining and because ParaCruz services can be provided to people in those areas. Mr. Aguirre reported that smaller 25-foot Goshen vehicles are used on some routes specifically the 33 and 34 routes because they service some very rural areas and are maneuverable for those areas. Mara Murphy asked if smaller buses could be used on more routes. Mr. Aguirre explained that smaller buses could not be used with the exception of the 33 and 34 because it would preclude METRO from interlining the routes causing higher operating costs.

6. PARACRUZ OPERATIONS STATUS REPORT FOR JUNE 2007

Chair Robert Yount Stated that the ParaCruz service is constantly showing improvement.

Ciro Aguirre reported that Steve Paulson retired as the ParaCruz Paratransit Supervisor on Monday, October 15, 2007.

Ciro Aguirre reported that some of the improvements were directly related to the scheduling system that is operated by April Warnock.

7. DISCUSSION OF MAC MEMBERS ATTENDING THE WORK SESSION WITH METRO BOARD OF DIRECTORS AND WILBER SMITH ASSOCIATES ON OCTOBER 19, 2007

Chair Robert Yount reported that a joint meeting with MAC and the METRO Board of Directors is scheduled for October 19, 2007 where Wilbur Smith Associates will give a preview of selected items that will eventually be included in the Draft Short Range Transit Plan. Mr. Yount encouraged the MAC Members to attend the meeting if at all possible.

Ciro Aguirre gave a brief description of some of the items that would be presented at the meeting and strongly recommended that anyone interested in the Santa Cruz Metropolitan Transit District and it's operations attend the meeting.

8. ELECTION OF VICE CHAIR

Deferred to November meeting.

9. PRESENTATION BY SCCRTC STAFF ON THE FREEWAY SERVICE PATROL (FSP) PROGRAM AND THE USE OF METRO PARK & RIDE FACILITIES

Chair Robert Yount introduced Grace Blakeslee, SCCRTC Transportation Planner, and Ciro Aguirre handed out a Freeway Service Patrol brochure and a memorandum from Grace Blakeslee, which are attached to the file copy of these minutes.

Grace Blakeslee reported that the SCCRTC operates the Freeway Service Patrol (FSP) on Highways 1 (from the fishhook to State Park Drive) and 17 (from the fishhook to the summit) in cooperation with Caltrans and the California Highway Patrol (CHP) and that the FSP commonly performs tasks such as towing disabled vehicles to a designated location approved by the CHP usually with the consent of the property owner and with a very limited time allotment for the vehicle owner to have the vehicle moved from the lot.

Ms. Blakeslee stated that the METRO Soquel Park and Ride location was identified as a Caltrans drop-off lot and that the CHP had communications with METRO but the personnel involved in the conversations are no longer available for comment and that there is no formal documentation regarding this issue.

Grace Blakeslee reported that on Highway 1 in 2007 the FSP program assisted approximately 800 vehicles and that approximately 100 vehicles receive assistance each month. Ms. Blakeslee stated that only around 15 vehicles require towing each month and that 5 or 6 vehicles are towed to the METRO Soquel Park and Ride location. Ms. Blakeslee reported that there is currently no designated drop-off lot in Scotts Valley.

10. DISCUSSION OF INBOUND / OUTBOUND ROUTE SCHEDULES ON BUS STOPS

Chair Robert Yount reported that the schedules posted at bus stops and shelters do not always include both the inbound and outbound buses and that this is a source of confusion for bus riders. Mara Murphy stated that she has a schedule from another transit organization that she feels is easier to read. Mr. Yount requested that MAC members consider recommendations and deferred this item to the November MAC meeting.

11. DISCUSSION OF MAC BYLAWS REGARDING CONFLICT OF INTEREST FOR MAC MEMBERSHIP

Chair Robert Yount stated that METRO District Counsel is drafting two (2) revised versions of the Membership section of the Bylaws for MAC to review and deferred this item to the November MAC meeting.

12. DISCUSSION OF MAC BYLAWS REGARDING THE EXCUSED AND UNEXCUSED ABSENTEE DEFINITIONS

Chair Robert Yount read the Absences section from the MAC Bylaws. Mr. Yount asked the MAC members if they had any suggestions regarding the verbiage of the bylaws and the attendance standard for MAC membership. Dave Williams suggested that only 2

unexcused absences be allowed. Mara Murphy suggested that 3 absences excused/unexcused be the standard.

April Warnock suggested to MAC that they establish a certain number of absences and remove the words “excused” and “unexcused” absences from the bylaws. Ms. Warnock stated that the bylaws could also include verbiage that the Committee could have a vote on whether or not to terminate members that have exceeded the allotted number of absences. Mara Murphy stated that she was in favor of that proposal and that people may be uncomfortable describing why they are unable to attend a meeting.

Chair Robert Yount suggested contacting the appointing METRO Director when absenteeism becomes an issue for a MAC Member. Mr. Yount requested that this item be carried over to the November MAC meeting.

13. COMMUNICATIONS TO METRO GENERAL MANAGER

METRO Staff to provide MAC with two (2) alternative wordings for consideration of the Membership section of the MAC Bylaws.

METRO Staff to research and report back to MAC on a recent grant awarded to Community Bridges.

MAC elected to move November’s meeting from the 21st to the 28th.

14. COMMUNICATIONS TO METRO BOARD OF DIRECTORS

None.

15. ITEMS FOR NEXT MEETING AGENDA

- Election of Vice Chair
- Discussion of Inbound / Outbound Route Schedules on Bus Stops
- Discussion of MAC Bylaws Regarding Conflict of Interest for MAC Membership
- Discussion of MAC Bylaws Regarding the Excused and Unexcused Absentee Definitions

Dave Williams stated he saw a newspaper article involving a recent grant awarded to a local organization to provide assistance to people in need of paratransit services and asked if METRO Staff could provide additional information on the project.

Dave Williams requested that the November 21, 2007 MAC Meeting be changed to accommodate for the holiday on November 22, 2007. Mara Murphy suggested to reschedule the meeting to Wednesday, November 28, 2007.

ACTION: MOTION: MARA MURPHY SECOND: DAVE WILLIAMS

RESCHEDULE THE NOVEMBER 21, 2007 MAC MEETING TO NOVEMBER 28, 2007.

Minutes – METRO Advisory Committee
October 17, 2007
Page 5

Motion passed unanimously with Naomi Gunther, Dennis Papadopulo, and Stuart
Rosenstein being absent.

ADJOURN

There being no further business, Chair Robert Yount thanked everyone for participating,
and he adjourned the meeting at 7:59 p.m.

Respectfully submitted,



DALE HAMILTON
Administrative Assistant

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 21st, 2007
TO: Board of Directors
FROM: Wally Brondstatter, Acting 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 September 2007.
- A breakdown of pick-up times beyond the ready window is included.

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.

There has been 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%. Staff was requested to provide a break down the pick-ups beyond the "ready window".

5-4.1

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”.

	September 2006	September 2007
Total pick ups	7241	7462
Percent in “ready window”	89.77%	93.11%
1 to 5 minutes late	3.15%	2.67%
6 to 10 minutes late	2.20%	1.78%
11 to 15 minutes late	1.52%	1.09%
16 to 20 minutes late	.99%	.38%
21 to 25 minutes late	.50%	.24%
26 to 30 minutes late	.57%	.23%
31 to 35 minutes late	.10%	.08%
36 to 40 minutes late	.23%	.05%
41 or more minutes late (excessively late/missed trips)	.51%	.03%
Total beyond “ready window”	10.23%	6.89%

During the month of September 2007, ParaCruz received eleven (11) service complaints and one (1) compliment. Four (4) of the complaints were found to be “not valid”. Five (5) of the valid service complaints were related to late pick-ups, none (0) related to driver attitude, one (1) to an office error, and one (1) related to a reservationists attitude.

5-4.2

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

	September 06	September 07	Fiscal 07	Fiscal 08
Requested	8047	8012	23,105	22634
Performed	7241	7462	21,034	21445
Cancels	17.47%	15.06%	17.82%	15.10%
No Shows	3.04%	2.51%	2.79%	2.38%
Total miles	50,255	48488	148,468	141,386
Av trip miles	5.25	5.20	5.21	5.18
Within ready window	89.77%	93.11%	90.39%	93.89%
Excessively late/missed trips	30	2	67	11
Call center volume	5981	6180	18,170	17993
Call average seconds to answer	25	29	23	29
Hold times less than 2 minutes	95%	95%	95%	95%
Distinct riders	808	806	1,135	1,136
Most frequent rider	51 rides	56 rides	143 rides	137 rides
Shared rides	67.0%	64.9%	66.7%	63.4%
Passengers per rev hour	1.70	2.60	1.64	2.35
Rides by supplemental providers	11.95%	25.54%	7.74%	23.10%
Vendor cost per ride	\$23.89	\$21.20	\$22.48	\$21.39
ParaCruz driver cost per ride (estimated)	\$24.99	\$25.01	\$24.70	\$24.81
Rides < 10 miles	82.14%	82.80%	81.67%	81.40%
Rides > 10	17.86%	17.20%	18.32%	18.60%

IV. FINANCIAL CONSIDERATIONS

NONE

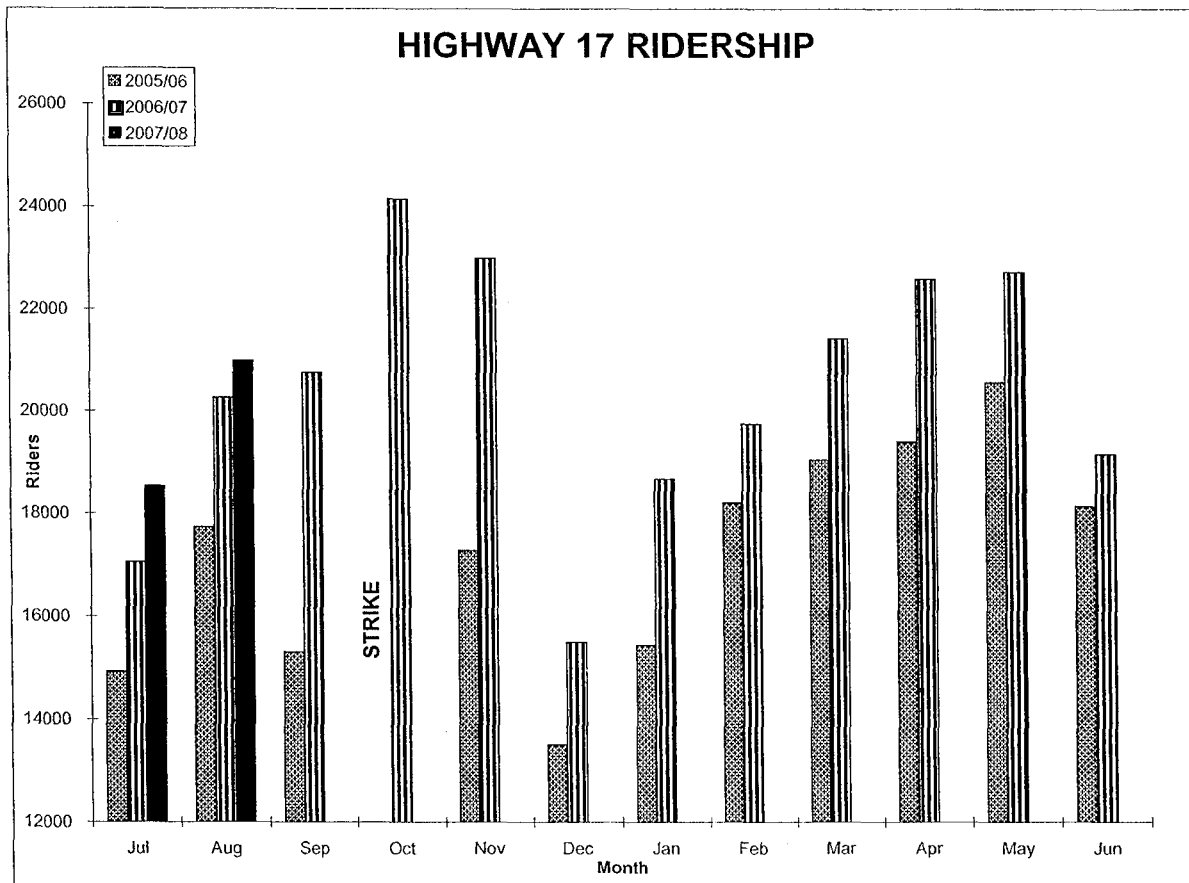
V. ATTACHMENTS

NONE

5-4.3

HIGHWAY 17 - AUGUST 2007

	AUGUST			YTD		
	This Year	Last Year	%	This Year	Last Year	%
FINANCIAL						
Cost	\$ 147,893	\$ 141,154	4.8%	\$ 287,611	\$ 270,590	6.3%
Farebox	\$ 64,613	\$ 64,711	(0.2%)	\$ 125,181	\$ 122,217	2.4%
Operating Deficit	\$ 73,615	\$ 70,649	4.2%	\$ 141,920	\$ 134,953	5.2%
Santa Clara Subsidy	\$ 36,807	\$ 35,324	4.2%	\$ 70,960	\$ 67,476	5.2%
METRO Subsidy	\$ 36,807	\$ 35,324	4.2%	\$ 70,960	\$ 67,476	5.2%
San Jose State Subsid	\$ 735	\$ 967	(24.0%)	\$ 735	\$ 967	(24.0%)
AMTRAK Subsidy	\$ 8,930	\$ 4,827	85.0%	\$ 19,775	\$ 12,453	58.8%
STATISTICS						
Passengers	20,981	20,260	3.6%	39,507	37,310	5.9%
Revenue Miles	43,415	43,415	0.0%	84,686	83,614	1.3%
Revenue Hours	1,627	1,627	0.0%	3,175	3,136	1.3%
Passengers/Day	677	654	3.6%	637	602	5.9%
Passengers/Weekday	774	769	0.6%	746	736	1.3%
Passengers/Weekend	396	321	23.6%	371	297	24.7%
PRODUCTIVITY						
Cost/Passenger	\$ 7.05	\$ 6.97	1.2%	\$7.28	\$7.25	0.4%
Revenue/Passenger	\$ 3.08	\$ 3.19	(3.6%)	\$3.17	\$3.28	(3.3%)
Subsidy/Passenger	\$ 3.54	\$ 3.53	0.2%	\$3.61	\$3.64	(0.9%)
Passengers/Mile	0.48	0.47	3.6%	0.47	0.45	4.5%
Passengers/Hour	12.89	12.45	3.6%	12.44	11.90	4.6%
Recovery Ratio	43.7%	45.8%	(4.7%)	43.5%	45.2%	(3.6%)



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 21, 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

- There were 23 school-term days for October 2007 versus 22 school-term days for October 2006.
- Overall UCSC trips increased by 10.4%
- Student trips for October 2007 increased by 11.2% versus October 2006.
- Faculty/staff trips for October 2007 decreased by (1.1%) versus October 2006.
- Revenue received from UCSC for October 2007 was \$334,105.76 versus \$314,022.57 for October 2006, an increase of 6.4%.

III. DISCUSSION

UCSC Fall service began on September 24, 2007. A summary of the results for October 2007 is:

- Student billable trips for regular service in October 2007 were 306,333 versus 273,193 for October 2006, an increase of 12.1%.
- Faculty / Staff billable trips for regular service in October 2007 were 18,524 versus 18,670 for October 2006, an decrease of (0.8%).
- Student billable trips for Route 20 Supplemental service in October 2007 were 7,158 versus 14,798 for October 2006, a decrease of (51.6%). *Note: Service hours for Supplemental Service was decreased from 16 hours per day last year to 8 hours per day this year.*
- Faculty / Staff billable trips for Route 20 Supplemental service in October 2007 were 251 versus 559 for October 2006, a decrease of (55.1%).

5-6.1

- Student billable trips for Night Owl service in October 2007 were 7,040 versus 5,847 for October 2006, an increase of 20.4%.
- Faculty / Staff billable trips for Night Owl service in October 2007 were 32 versus 48 for October 2006, a decrease of (33.3%).
- Student billable trips for the Route 27x Express were 6,277 for October 2007. The 27x did not operate in October 2006.
- Faculty / Staff billable trips for the Route 27x Express were 265 for October 2007. The 27x did not operate in October 2006.
- Average student billable trips *per school-term day* for regular UC service in October 2007 were 12,003.9 versus 10,633.3 for October 2006, an increase of 12.9%.
- Average Faculty / Staff billable trips *per weekday* for regular UC service in October 2007 were 750.8 versus 765.9 for October 2006, a decrease of (2.0%).
- Average student billable trips *per school term day* for supplemental UC Service in October 2007 were 311.2 versus 672.6 for October 2006, a decrease of (53.7%).
- Average Faculty / Staff billable trips *per weekday* for supplemental UC service in October 2007 were 10.9 versus 25.4 for October 2006, a decrease of (57.1%).
- Average student billable trips *per school term day* for Night Owl UC Service in October 2007 were 142.3 versus 91.0 for October 2006, an increase of 56.4%.
- Average Faculty / Staff billable trips *per weekday* for Night Owl UC service in October 2007 were 0.5 versus 1.0 for October 2006, a decrease of (50.1%).
- Average student billable trips *per school term day* for Route 27x Express service in October 2007 were 272.9. The 27x did not operate in October 2006.
- Average Faculty / Staff billable trips *per weekday* for Route 27x Express service in October 2007 were 11.5. The 27x did not operate in October 2006.

October	Student Ridership		Faculty/ Staff Ridership		Average Student Ridership Per School Term Day		Average Faculty/Staff Ridership Per Weekday	
	FY 2007	FY 2006	FY 2007	FY 2006	FY 2007	FY 2006	FY 2007	FY 2006
Regular Service	306,333	273,193	18,524	18,670	12,003.9	10,633.3	750.8	765.9
Supplemental	7,158	14,798	251	559	311.2	672.6	10.9	25.4
Night Owl	7,040	5,847	32	48	142.3	91.0	0.5	1.0
27x	6,277	-	265	-	272.9	-	11.5	-
TOTAL	326,808	293,838	19,072	19,277	12,730.3	11,396.9	773.7	792.4
% Increase-(Decrease)	<i>11.2%</i>		<i>-1.1%</i>		<i>11.7%</i>		<i>-2.4%</i>	

IV. FINANCIAL CONSIDERATIONS

NONE

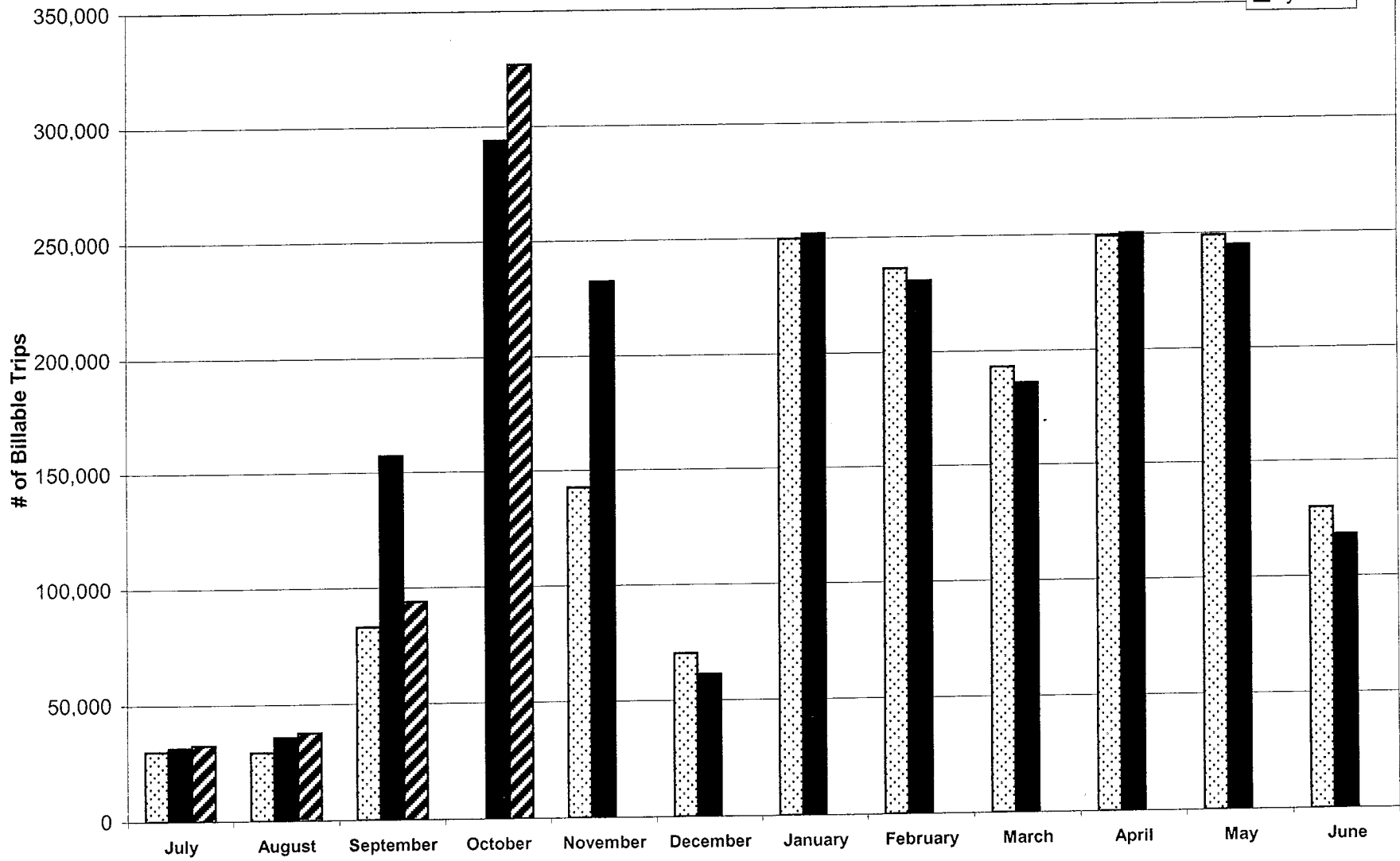
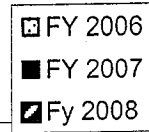
V. ATTACHMENTS

Attachment A: UC Student Billable Trips

Attachment B: UCSC Faculty / Staff Billable Trips

5-6.3

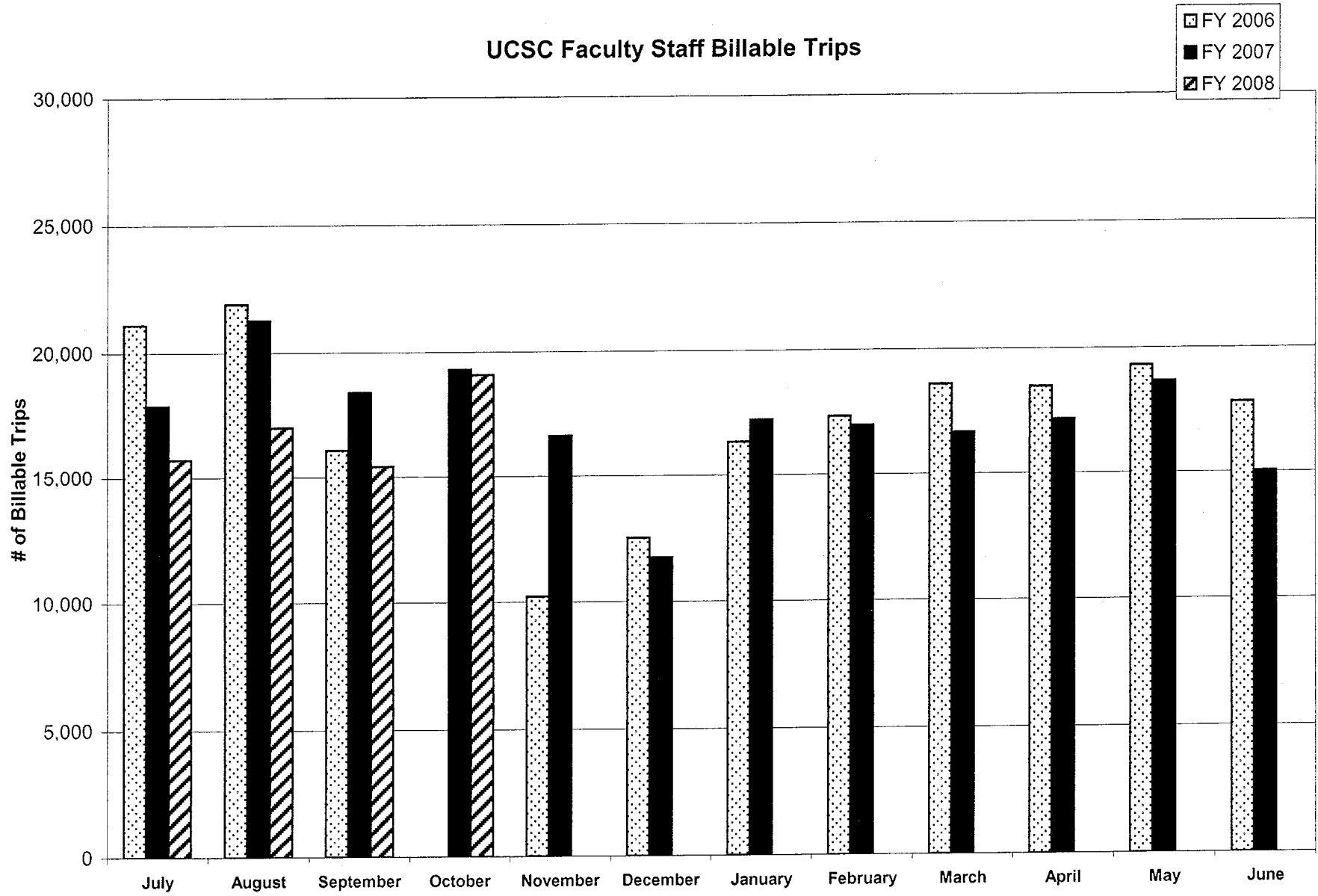
UCSC Student Billable Trips



5-6.21

Attachment A

UCSC Faculty Staff Billable Trips



5-6.61

Attachment B

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

NOTICE OF ACTION TAKEN IN CLOSED SESSION MEMORANDUM

DATE: December 21, 2007
TO: Board of Directors
FROM: Margaret Gallagher, District Counsel
SUBJECT: Notification Of Action Taken In Closed Session

1. George v. Bay Area Rapid Transit District; U.S. District Court, Northern District of California, Case No. C 00-2206CW

On October 12, 2007, in closed session you authorized METRO to join in the American Public Transportation Association (APTA) Amicus Curiae Brief in support of Appellant BART's position in the above referenced Northern District Appellate Case. This is a Northern District Federal Court in which Judge Wilken has ruled that BART is liable for ADA violations regarding the accessibility of its key stations to the visually impaired notwithstanding that BART complied in all respects with the Department of Transportation's regulations concerning the design of public transit facilities.

The following Directors authorized this action: Director Beutz, Bustichi, Hagen, Hinkle, Nicol, Reilly, Rotkin, Skillicorn, Spence and Stone. Director Tavantzis was absent. Pursuant to this direction, District Counsel notified APTA's Legal Counsel that METRO wishes to join in its Amicus Curiae Brief. METRO has been identified as joining the action in support of APTA's Brief.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 21, 2007

TO: Board of Directors

FROM: Margaret Gallagher, District Counsel

SUBJECT: CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN AMENDMENT TO THE CURRENT LEASE FOR THE PROPERTY LOCATED AT 111 DUBOIS STREET, SANTA CRUZ TO EXTEND THE TERM FOR AN ADDITIONAL TEN-MONTH PERIOD

I. RECOMMENDED ACTION

Authorize the General Manager to execute an Amendment to the current Lease between the Santa Cruz Metropolitan Transit District and the 1977 Iuliano Trust for the property located at 111 Dubois Street, to extend the term for an additional ten-month period

II. SUMMARY OF ISSUES

- The Santa Cruz Metropolitan Transit District (METRO) has an existing lease with the 1977 Iuliano Trust for the property and building located at 111 Dubois Street, Santa Cruz for use by the Maintenance Department for the repairs and maintenance of the buses and other METRO vehicles.
- The lease term expires on February 29, 2010.
- The lease requires METRO to assign this lease to Larry Pederson, dba A Tool Shed when METRO no longer has a need for the property.
- METRO staff is concerned that it may not be fully ready to move out of the premises by February 29, 2010, as the MetroBase Phase One may not be complete by that date.
- METRO staff met with the landlords and negotiated a proposed extension of the Lease to extend the term to December 31, 2010, under the same terms and conditions as the current lease.
- METRO confirmed with Larry Pederson that he does not have an objection to the extension granted to METRO.
- METRO staff is hopeful that the extra ten months will provide adequate time for METRO to complete its First Phase of the MetroBase Project so as to avoid the necessity of obtaining an extension in the future.

III. DISCUSSION

METRO's Fleet Maintenance Major Vehicle Repair Shop is located at 111 Dubois Street, Santa Cruz. The property has been leased for the bus repairs and maintenance shop since March 1, 1998. The current lease expires on February 29, 2010, which METRO originally believed would allow sufficient time to complete its First Phase MetroBase Project and vacate the premises. Now, however, METRO staff is concerned that the First Phase may not be fully completed by February 10, 2010, and is recommending extension of the term by ten months to December 31, 2010 to avoid having to obtain an extension at some point in the future.

METRO staff contacted Larry Pederson, dba A Tool Shed, to confirm that he is not opposed to this extension of time. Mr. Pederson is scheduled to take over the Lease as Assignee when METRO moves out of the building. He does not have any objection to the extension granted to METRO.

IV. FINANCIAL CONSIDERATIONS

The 111 Dubois property currently leases for \$10,676.73 per month or \$128,120.76 annually. The lease requires an annual cost of living increase based on the CPI of the San Francisco-Oakland area with the caveat that any increase cannot be less than 3% or more than 6%.

V. ATTACHMENTS

Attachment A: First Amendment to Commercial Lease and Assignment

5-8.2

FIRST AMENDMENT TO COMMERCIAL LEASE AND ASSIGNMENT

This Amendment to Commercial lease and assignment is made in Santa Cruz, California, and effective once signed by the parties set forth below. The Parties to this commercial lease and assignment are IULIANO 1977 TRUST (hereinafter called "Landlord") and SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (hereinafter called "Tenant"), and A Tool Shed, Inc. (hereinafter called Assignee).

RECITALS

- A. WHEREAS, Landlord is currently leasing to Tenant, and Tenant is currently leasing from Landlord, upon the terms and conditions hereinafter set forth, those certain premises located on Landlord's real property which is situated on 111 Dubois Street, Santa Cruz, Santa Cruz County, California. The premises leased to Tenant, which consist of all usable space in the building located at 111 Dubois Street, are shown on that certain diagram attached hereto, marked Exhibit "A" and incorporated herein by this reference (the "Premises");
- B. WHEREAS, Tenant is in the process of acquiring property for its MetroBase Project, an operations and maintenance complex, to be located in the Harvey West area in the City of Santa Cruz;
- C. WHEREAS, Tenant purchased the property located at 1122 River Street, Santa Cruz, CA currently occupied by Assignee- A Tool Shed, Inc. and has caused Assignee to vacate the premises;
- D. WHEREAS, Tenant anticipates that it will require the premises until the completion of its MetroBase Fleet Maintenance Facility, at which time, it will no longer have a need to occupy 111 Dubois, Santa Cruz and Assignee desires to assume all rights, title, interest and obligations in this lease agreement from Tenant to occupy the Premises at 111 Dubois Street.
- E. WHEREAS, the current Lease expires on February 28, 2010 and Tenant anticipates that it will require the premises until December 31, 2010, Tenant and Landlord desire to extend the Lease to expire on December 31, 2010.

Now, therefore, the parties hereto, incorporating the above recital as part of their agreement, and in consideration of the mutual covenants, terms and conditions set forth herein, agree as follows:

AGREEMENT

1. TERM.

The term of the Lease referenced, commenced on March 1, 2005, and shall expire December 31, 2010.

2. NOTICES.

Any notice required to be given pursuant to this Agreement shall be given in writing to the other party and delivered either personally or by depositing the same in the United States postal service, registered or certified mail, return receipt requested, with the postage prepaid, addressed to the parties as follows:

Landlord:

IULIANO 1977 TRUST,
103B Whispering Pines
Scotts Valley, CA 95066

Tenant:

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
Attn: Leslie White, General Manager
370 Encinal Street, Suite 100
Santa Cruz, CA 95060

Assignee:

Larry Pedersen
dba A Tool Shed, Inc.
55 E. Hamilton Avenue
Campbell, CA 95008

Any notice delivered by mail shall be deemed delivered forty-eight (48) hours after deposit in the United States postal service mail. The address to which any notice is to be delivered may be changed by either party by compliance with the provisions of this Paragraph.

3. JURISDICTION.

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

4. TIME.

Time is of the essence of this Lease.

5. ENTIRE AGREEMENT.

This Lease contains the sole and entire agreement of the parties, and correctly sets forth the rights, duties and obligations of each to the other, and any prior agreements, promises, negotiations, or representations not expressly set forth in the Agreement and this Amendment are hereby superseded and of no force and effect. Any changes to this Lease must be in writing, signed by both Landlord and Tenant.

6. EFFECTIVENESS OF LEASE.

Except as set forth in this extension of lease, all provisions of **the Lease**, shall remain unchanged and in full force and effect.

7. AUTHORIZATION.

Tenant hereby represents to Landlord that the party executing this Lease on behalf of Tenant is authorized by Tenant to execute their Lease and thus bind Tenant to all of the terms, covenants and conditions contained herein.

IN WITNESS WHEREOF, Landlord and Tenant have executed these presents the day and year first above written.

Landlord:
IULIANO 1977 TRUST

Tenant:
SANTA CRUZ METROPOLITAN TRANSIT
DISTRICT

BY:

BY:

Nick Iuliano, Trustee

Leslie R. White, Secretary/General Manager

DATE: _____

DATE: _____

5-8.42

Assignee:
A Tool Shed, Inc.

BY:

Larry Pedersen, President

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 21, 2007
TO: Board of Directors
FROM: Margaret Gallagher, District Counsel
SUBJECT: **CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A NEW LEASE FOR THE PROPERTY LOCATED AT 115 DUBOIS STREET TO BEGIN ON FEBRUARY 1, 2008 AND EXPIRE ON DECEMBER 31, 2010**

I. RECOMMENDED ACTION

Authorize the General Manager to execute a new Lease between the Santa Cruz Metropolitan Transit District and the 1977 Iuliano Trust for the property located at 115 Dubois Street, for a term to begin on February 1, 2008 and expire on December 31, 2010.

II. SUMMARY OF ISSUES

- The Santa Cruz Metropolitan Transit District (METRO) has an existing lease with the 1977 Iuliano Trust for the lease of the property located 115 Dubois Street for bus parking and storage.
- The lease term expires on January 31, 2008 and does not provide for an option to extend the Lease.
- According to Tom Stickel, METRO's Fleet Maintenance Manager, the property needs to be leased until the first phase of the METROBASE Project is completed and METRO is ready to move over to the new maintenance facility, which is scheduled for completion on or about December 2010.
- METRO staff met with Dawn Iuliano and Nick Iuliano to negotiate a new lease term. METRO staff recommends a lease term of February 1, 2008 through December 31, 2010, to allow sufficient time for the completion of the first phase of the METROBASE Project.

III. DISCUSSION

METRO currently leases the property located at 115 Dubois Street for extra bus parking. The lease expires on 1/31/08 and does not include an option to extend the Lease.

There is a need for METRO to continue to lease this property for bus parking until METRO completes the first phase of the METROBASE Project. Tom Stickel, METRO's Maintenance

Manager has suggested that METRO requires the use of the property for bus parking until the end of 2010.

METRO staff met with the owners of the property, Nick and Dawn Iuliano and negotiated a new Lease to begin 02/01/08 and terminate on 12/31/10, a period of two years and eleven months. This is the same date that the 111 Dubois property lease extension will expire.

IV. FINANCIAL CONSIDERATIONS

Rent on the property will be \$3,271.61 per month for the first year, with a CPI adjustment to commence the thirteenth month of the lease term, no less than 3% and not to exceed 6%.

V. ATTACHMENTS

Attachment A: Draft Commercial Lease

5-9.2

COMMERCIAL LEASE

This commercial lease is made at Santa Cruz, California, and is effective once signed by the parties set forth below. The Parties to this commercial lease are IULIANO 1977 TRUST, (hereinafter called "Landlord") and SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, (hereinafter called Tenant").

WHEREAS, Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, upon the terms and conditions hereinafter set forth, those certain premises of un-developed usable land located on Landlord's real property which is situated on Assessors Parcel Number 001-033-04, also known as 115 Dubois Street, Santa Cruz, Santa Cruz County, California.

Now, therefore, the parties hereto, incorporating the above recital as part of their agreement, and in consideration of the mutual covenants, terms and conditions set forth herein, agree as follows:

AGREEMENT

1. TERM.

The term of this Lease shall be TWO (2) years and 11 months and shall commence on 01 February 2008, and expire on 31 December 2010.

2. RENT.

Tenant shall pay to Landlord as the rent for the Premises at 115 Dubois Street, Santa Cruz, California, Three Thousand Two Hundred Seventy One Dollars and sixty one cents (\$3,271.61) per month plus all real property taxes (actual tax bill each year), and 100% of any assessments levied by the County or City of Santa Cruz, commencing on the Commencement Date, and payable on the first day of each and every month thereafter. The monthly rent shall be prorated for the first and last months of the term of this Lease should the Commencement Date not fall upon the first day of a calendar month. All rental payments shall be in lawful money of the United States of America, without deduction or offset whatsoever.

3. RENT ADJUSTMENT.

The minimum monthly rent provided for in Paragraph 2, above, shall be subject to adjustment at the end of each year during the Lease term, including any extension thereof, beginning twelve (12) months from the Commencement Date of the lease term, (the "Adjustment Date"), according to the following: The base for computing the CPI Adjustment is the Consumer Price Index (All Items) for All Urban Consumers for the San Francisco-Oakland-San Jose Area Metropolitan Area based on the standard reference base of 1982-84 equals 100, as published by the U.S. Department of Labor's Bureau of

Labor Statistics, ("CPI") adjusted to the publication date which is the date nearest the commencement date of this Lease, herein called the "base figure".

The CPI for the adjustment date shall be that CPI which is published prior to but nearest the adjustment date. In no event shall the adjusted increase be less than 3% or more than 6% each year at the anniversary date of the Lease.

The increase in the minimum monthly rent or base rent, as provided herein, shall be payable monthly on the first day of each and every month commencing on the thirteenth month of the Lease term, and ending on the last day of the Lease term, subject to subsequent adjustments after the thirteenth month. In no event, however, shall the minimum monthly rent be less than the monthly base rent from the previous year, plus all applicable property taxes and assessments.

4. LATE PAYMENT.

In the event that any monthly payment is delinquent for a period of five (5) days or more, Tenant shall pay to Landlord as and for a late payment the sum of ten percent (10%) of the delinquent monthly rental payment which shall be payable with the delinquent monthly rental payment.

5. TAXES ON THE PREMISES.

Tenant hereby agrees to be solely responsible for all of the real property taxes (actual tax bill) and 100% of any and all assessments levied by the County of Santa Cruz or any other governmental agency against Landlord's real property and improvements thereon during the term of this Lease. The actual tax bill will be mailed to Tenant within thirty days (30) prior to the actual due date of each installment. Tenant shall be responsible to pay 100% for any increases in real property taxes arising out of Tenant's leasehold improvements, whether or not of a permanent nature.

If this Lease expires prior to the determination date of the Lease, any amount of such taxes and assessments for the last year in which the expiration of the Lease occurs, Tenant shall nevertheless, promptly pay such percentage following notice from Landlord appropriately prorated for the portion of the Lease term that falls within such last year.

6. USE.

The Premises are to be used for the storage of buses and vehicles for the Santa Cruz Metropolitan Transit District (Tenant), and other related uses. The business conducted by the Tenant on the Premises shall be of a character and nature that will not be detrimental to the value of the Premises. No use shall be made or permitted to be made of the Premises, nor act done in or about the Premises, which will in any way conflict with any law, ordinance, rule or regulation affecting the occupancy or use of the Premises, which are or may hereafter be enacted or promulgated by any public authority, or cause a cancellation of any insurance policy covering the property or any part thereof. Nor shall Tenant permit to be kept, or use in or about the Premises, any article which may be

5-9.02

prohibited by the standard form of fire insurance policy maintained by Landlord. Tenant shall not commit, or suffer to be committed, any waste upon the Premises, or any public or private nuisance, nor, without limiting the generality of the foregoing, shall Tenant allow said Premises to be used for an improper, immoral, unlawful, or unethical purpose, or for sleeping or residential purposes.

7. ASSIGNMENTS AND SUBLETTING.

Tenant shall not, either voluntarily or by operation of law, assign, sell, encumber, pledge or otherwise transfer all or any part of Tenant's leasehold estate hereunder, or permit the Premises to be occupied by anyone other than Tenant or Tenant's employees, or sublet the Premises or any portion thereof, without Landlord's prior written consent. Landlord's consent shall not be unreasonably withheld provided:

(i) The same quality of business and financial soundness of ownership and management is maintained and will continue to be maintained in a manner compatible with the high standards contemplated by this Lease.

(ii) That each and every covenant, condition or obligation imposed upon Tenant by this Lease, and each and every right, remedy or benefit afforded Landlord by this Lease is not thereby impaired or diminished:

(iii) Tenant remains liable for performance of each and every obligation under this Lease to be performed by Tenant:

(iv) As to subletting, Landlord shall receive One Hundred Percent (100%) of the gross rent paid by any assignee/sub-tenant in excess of the gross rent otherwise payable to Landlord pursuant to this Lease:

(v) Tenant reimburses Landlord for Landlord's reasonable costs and professional fees (legal and/or accounting) incurred in conjunction with the processing and documentation of any such requested assignment or subletting of this Lease by Tenant.

If Tenant desires at any time to assign this Lease, or sublet any portion of the Premises, Tenant shall first notify Landlord of its desire to do so and shall submit in writing to Landlord, at least thirty (30) days but not more than sixty (60) days before the intended date of assignment/subletting, the name of the proposed assignee/subtenant, the nature of the proposed assignee's/subtenant's business to be carried on in the Premises, the terms and provisions of the proposed assignment/subletting, and such reasonable financial information as Landlord may request, certified by the proposed assignee/subtenant as being true and correct as of the date of certification.

B. Landlord agrees that Tenant may vacate the Premises upon the completion of the Metro Base Fleet Maintenance facility by providing Landlord ninety (90) days prior to vacating the premises a written notice to that fact. Tenant shall surrender the Premises in a clean and neat condition. Tenant may remove any equipment it brought onto the

5-9-03

Premises during the Lease Term. If the removal of such equipment causes any damage to the Premises, Tenant must repair the premises at its sole cost and expense. Upon vacation of the Premises, Tenant shall have no further right, title, interest, or obligation to Landlord or to Assignee pursuant to this Lease Agreement.

8. REPAIRS AND ALTERATIONS.

Tenant at his/her sole cost will make any improvements necessary to occupy the premises. This includes and does not limit those improvements to grading, plans, permits, driveway approach, fencing, drainage, erosion control, etc. Landlord shall have the option to deny, change or approve plans for improvements prior to the contract of any of the above mentioned.

Tenant agrees by taking possession of the Premises that he/she will take good care of the Premises and promptly notify the Landlord in writing of any damage caused thereto by the Tenant, its employees or invitees and will not make any repairs or alterations without written permission of Landlord first obtained, and consent for same shall not be unreasonably withheld by Landlord.

It is Tenant's sole responsibility at all times during the term hereof, to maintain the Premises including any and all improvements which includes and does not limit any upkeep of the driveway approach, fencing, drainage etc.

9. BANKRUPTCIES AND INSOLVENCY.

The filing or commencement of any proceeding by or against Tenant under the Federal Bankruptcy code whether voluntary or involuntary, if not dismissed within (60) sixty days from the date of filing, shall constitute a default under this Lease.

10. RECEIVERSHIP.

Either the appointment of a receiver to take possession of all, or substantially all, of the assets of any Tenant or garnishment of or levy or writ of execution on, all or substantially all of the assets of any Tenant which remains in effect for more than sixty (60) days, or a general assignment by any Tenant for the benefit of creditors, shall constitute a breach of this Lease by Tenant.

11. DEFAULT AND REMEDIES.

The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant:

- (i) The vacating or abandonment of the Premises by Tenant (which shall be conclusively presumed if Tenant leaves the Premises closed or unoccupied continuously for thirty (30) days.

5-9.94

(ii) The failure by Tenant to make any payment of rent or any other payment required to be made by Tenant hereunder as and when due and after five (5) days written notice to Tenant by Landlord to pay same.

(iii) The occurrence of an event described in Paragraphs "Bankruptcy and Insolvency" and "Receivership", hereof.

(iv) The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Tenant, other than described in subparagraph (ii) and (iii), above, where such failure shall continue for a period of thirty (30) days after written notice thereof from Landlord to Tenant.

In the event of any such material default or breach by Tenant, Landlord may at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of any right or remedy, which Landlord may have by reason of such default or breach:

(i) Terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, including, but not limited to expenses of re-letting, reasonable attorney's fees, and any real estate commission actually paid; the worth at the time of award by a court having jurisdiction of the unpaid rent which had been claimed after termination until the time of such award exceeds the amount of such rental loss that the Tenant proves, could have been reasonably avoided; the worth at the time of such award of the amount by which the unpaid rent for the balance of the term after the time of such award exceeds the amount of such rental loss that the Tenant proves could be reasonable avoided; and the portion of any real estate commission payable by Landlord applicable to the un-expired term of this Lease. Unpaid installments of rent or other sums shall bear interest from the date due at the rate of ten percent (10%) per annum. In the event Tenant shall have abandoned the Premises, Landlord shall have the option of retaking possession of the Premises and recovering from Tenant the amount specified in this subparagraph (i), or proceeding under subparagraph (ii). For purposes of this subparagraph (i), the term "worth at the time of such award" shall have the meaning provided in Section 1951.2 (b) of the California Civil Code.

(ii) As provided in Section 1951.4 of the California Civil Code, maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant shall have abandoned the Premises. In such event, Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover the rent as it becomes due hereunder.

(iii) Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the State of California.

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12. ATTORNEY'S FEES.

In the event suit is brought to enforce or interpret any part of this Agreement, the prevailing party shall be entitled to recover as an element of 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 his costs of suit, whether or not the suit proceeds to final judgment. A party not entitled to recover his 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 his costs of attorney's fees.

13. WAIVER.

The waiver by Landlord of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver or any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent.

14. LIENS.

Tenant shall keep the Premises free of any liens arising out of work performed, materials furnished or obligations incurred by Tenant.

15. INSURANCE.

(i) During the Lease term, Tenant shall, at its own expense, maintain in full force a policy or policies of comprehensive liability insurance, including property damage, written by one or more responsible insurance companies licensed to do business in California, and in good standing with the Insurance Commissioner of California, that will name Tenant and Landlord as insured under said policy (and such other persons, firms or corporations as are designated by Landlord and agreed to by Tenant) against liability for injury to persons and property and for death of any person or persons occurring on or about the Premises. The liability under such insurance shall not be less than One Million Dollars (\$1,000,000.00) bodily injury and Five Hundred Thousand Dollars (\$500,000.00) for property damages. Notwithstanding the above, Tenant may be self insured up to Two Hundred Fifty Thousand (\$250,000.00). During the Lease term, Tenant shall maintain in full force on all of its equipment on the Premises, a policy or policies of fire insurance with standard extended coverage endorsement, to the extent of at least eighty percent (80%) of their insurable value. As long as this Lease is in effect, the proceeds from any such policy shall be used for the repair of any equipment so insured. Landlord shall have no interest in the insurance upon Tenant's equipment and will sign all documents necessary or proper in connection with the settlement of any claim or loss by Tenant. Tenant shall provide Landlord with copies of all policies, required under subparagraphs

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(i) and (ii), including in each instance an endorsement in a form acceptable to Landlord, providing that such insurance shall not be canceled except after (30) thirty days written notice to Landlord. Notwithstanding the above, Tenant may be self insured up to Two Hundred Fifty Thousand (\$250,000.00).

(ii) Tenant shall be responsible for carrying their own Liability Insurance with a minimum of One Million Dollars (\$1,000,000.00), as long as this Lease is in effect.

(iii) Landlord hereby releases Tenant, and Tenant hereby releases Landlord, from any and all claims or demands for damages, loss, expense or injury to the Premises, or personal property or other property of either Landlord or Tenant in, about or upon the Premises adjoining property as the case may be, which is caused by or results from perils, events or happenings which are the subject of insurance claimed by the respective parties and in force at the time of any such loss; provided, however, that such waiver shall be effective only to the extent permitted by the insurance covering such loss and to the extent of the insurance recovery.

16. CONDEMNATION.

Should the whole or any part of the Premises be condemned and taken by any competent authority for any public or quasi-public use or purpose, or should Landlord make a conveyance in lieu thereof, all awards payable on account of such condemnation and taking or conveyance shall be payable to Landlord, and Tenant hereby waives all interest in or claim to said awards, or any part thereof.

If the whole of the Premises shall be so condemned and taken or conveyed, then this Lease shall terminate.

If a part only of the Premises is so condemned and taken or conveyed, and the remaining portion thereof is not suitable for the purposes for which Tenant has leased said Premises, Tenant shall have the right to terminate this Lease. If by such condemnation and taking a part only of the Premises is taken, and the remaining part thereof is suitable for the purposes for which Tenant has leased said Premises, this Lease shall continue, but the rental shall be reduced in an amount proportionate to the value of the portion taken as it relates to the total value of the Premises.

17. WAIVER OF REDEMPTION BY TENANT, HOLDING OVER.

Tenant hereby waives for Tenant and for all those claiming under Tenant, all right now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Tenant's right to occupancy of the leased Premises after any termination of this Lease. If Tenant holds over the term hereof, with the express or implied consent of Landlord, such tenancy shall be from month-to-month only, and not a renewal hereof, or an extension for any further term, and in such case rent shall be payable in the amount and at the time specified in Paragraph "Rent", above, including adjustments for real

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property, tax and assessments. Such month-to-month tenancy shall be subject to every other term, covenant, and agreement contained herein.

18. RULES AND REGULATIONS.

Landlord shall have the right from time to time to adopt reasonable rules and regulations for the use of the premises by Tenant and Tenant's agents, employees, customers and other invitees who agrees to abide by each and every rule and regulation upon notification by Landlord.

19. HAZARDOUS MATERIALS.

Tenant in possession shall be solely responsible for the cleanup and other requirements of all governmental agencies for hazardous materials located on or during the Lease term except for any hazardous material brought on or used by Landlord, his invitees or non-tenant related third parties.

As used in this Lease, the term "hazardous materials" shall mean any substance or material which has been determined by the State of California, the federal government, the City of Santa Cruz, or any agency of said governments, to be capable of posing a risk of injury to health, safety and property, including but not limited to all of those materials and substances designated as hazardous or toxic by the Environmental Protection Agency, the California Water Quality Control Board, the U.S. Department of Labor, the California Department of Industrial Relations, the Department of Transportation, the Department of Agriculture, the Consumer Products Safety Commission, the Department of Health, Education & Welfare, the Food & Drug Administration or any other governmental agency now or hereafter authorized to regulate materials and substances in the environment. Without limiting the generality of the foregoing, the term "hazardous materials" shall include all of those materials and substances defined as "toxic materials" in Sections 66680 through 66685 of Title 22 of the California Administrative Code, Division 4, Chapter 30, as the same may be amended from time to time.

Tenant shall promptly comply with all laws related to hazardous materials, including any and all required monitoring and record keeping, and any orders of a governmental authority requiring the clean-up and removal of hazardous materials from the Premises. If the Premises, or any part thereof (including the soil, surface water, ground water or the air about the Premises), becomes contaminated through Tenant's actions by any hazardous material, Tenant shall promptly at its sole cost take all action necessary to clean up and remove such contamination and restore the Premises to the condition existing immediately prior to the existence of such hazardous material about the Premises. Tenant's obligations under this Paragraph shall survive Lease termination. Tenant shall immediately notify Landlord in writing if Tenant causes or permits any hazardous material to be used or kept on or about the Premises or knows or has reasonable cause to believe that any hazardous material has come to be located on or about the Premises or discovers the existence of any hazardous material on or about the Premises. Tenant shall be solely responsible for the cost of any required clean up and

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removal of hazardous materials and/or toxic wastes which have been placed or left upon the Premises by Tenant after the date of execution of this Lease or prior lease. Tenant shall indemnify and defend Landlord and his successors and assigns against and hold them harmless from any and all claims, demands, liabilities, damages, including punitive damages, costs and expenses, including reasonable attorney's fees caused by Tenant's actions, herein collectively referred to as "Claims":

- (i) Any Claim by a federal, state or local governmental agency arising out of or in any way connected with the environmental condition of the Premises caused by Tenant's actions including, but not limited, to, Claims for additional clean-up of the Premises; and
- (ii) Any Claim by a successor in interest of Tenant (including a mortgagee who acquires title to the Premises through foreclosure or by accepting a deed in lieu of foreclosure), or by any subtenant licensee, or invitee of Tenant arising out of or in any way connected with the environmental condition of the Premises caused by Tenants' or Subtenants' actions.

Any and all hazardous waste materials shall be stored above ground in tanks or other suitable containers and shall be disposed of by Tenant. The cost of manufacture of the system, storage, transportation, and disposal shall be the sole cost of Tenant.

20. DEFINED TERMS.

The words "Landlord" and "Tenant" as used herein shall include the plural as well as the singular, words used in neuter gender include the masculine and feminine and words in the masculine or feminine gender include the neuter. If there is more than one Landlord or Tenant, the obligations hereunder imposed upon Landlord or Tenant, shall be joint and several. The marginal headings or titles to the Paragraphs of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part thereof.

21. HEIRS.

Subject to the provisions hereof relating to assignment, mortgaging, pledging and subletting, this Lease is intended to and does bind the heirs, executors, administrators, successors and assigns of any and all of the parties hereto.

22. JURISDICTION.

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

23. TIME.

Time is of the essence of this Lease.

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24. ENTIRE AGREEMENT.

This Lease contains the sole and entire agreement of the parties, and correctly sets forth the rights, duties and obligations of each to the other, and any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are hereby superseded and of no force and effect. Any changes to this Lease must be in writing, signed by both Landlord and Tenant.

25. AUTHORIZATION.

Tenant hereby represents to Landlord that the party executing this Lease on behalf of Tenant is authorized by Tenant to execute their Lease and thus bind Tenant to all of the terms, covenants and conditions contained herein.

IN WITNESS WHEREOF, Landlord and Tenant have executed these presents the day and year first above written.

Landlord:
IULIANO 1977 TRUST

Tenant:
SANTA CRUZ METROPOLITAN
TRANSIT DISTRICT

BY: _____
Nick Iuliano, Trustee

BY: _____
Leslie R. White, Secretary/General Manager

DATE: _____

DATE: _____

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

STAFF REPORT

DATE: December 21, 2007

TO: Board of Directors

FROM: Margaret Gallagher, District Counsel

SUBJECT: CONSIDERATION OF OWNED AND LEASED PROPERTY INVENTORIES TO DETERMINE IF THERE IS ANY PROPERTY IN EXCESS OF SANTA CRUZ METROPOLITAN TRANSIT DISTRICT'S FORESEEABLE NEEDS

I. RECOMMENDED ACTION

Accept and File Santa Cruz METRO's Property Inventories of Leased and Owned Property for 2007, which includes a Determination that METRO does not own, Lease or Control any Property which is in excess of its Foreseeable Needs.

II. SUMMARY OF ISSUES

- Santa Cruz Metropolitan Transit District is required on an annual basis to prepare inventories of properties it holds, owns and controls to determine if any properties are in excess of its foreseeable needs.
- All properties leased by Santa Cruz METRO are currently being used in transit operation for bus maintenance, bus parking, administration and facilities maintenance activities.
- All properties leased, owned or controlled by Santa Cruz METRO are in transit uses and none of these properties are in excess of METRO's foreseeable needs.

III. DISCUSSION

Government Code Section 50569 requires that on or before December 31st of each year, Santa Cruz METRO, a local agency, make an inventory of all lands held, owned or controlled by it or any of its departments, agencies or authorities to determine what land, including air rights, if any, are in excess of its foreseeable needs. According to the statute, a description of each parcel found to be in excess of its needs should be made a matter of public record.

An inventory of all the properties owned by Santa Cruz Metro, prepared by the Finance Department is set forth in Attachment A. The only change since 2006 has been the purchase of the 110 Vernon Street property and it has been added to the inventory list.

An inventory of properties that Santa Cruz METRO leases from others is set forth in Attachment B. All of the leased property is currently being used for transit operation and related support

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functions. The only changes since 2006 are incremental rent increases for certain leases requiring CPI adjustments as well as the deletion of the 110 Vernon Street property that METRO no longer leases, as it purchased the property in 2007.

According to the applicable statute, any citizen, limited dividend corporation, housing corporation or nonprofit corporation, shall upon request, be provided with a list of the parcels without charge.

IV. FINANCIAL CONSIDERATIONS

None

V. ATTACHMENTS

Attachment A: SCMTD Deeds

Attachment B: Properties Leased by Santa Cruz Metropolitan Transit District

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SCMTD DEEDS

APN NO.	PARCEL LOCATION	DATE OF ACQUISITION BY SCMTD	ACQUIRED FROM	DESCRIPTION	STATUS OF USE
5-152-05	Santa Cruz, CA 912 Pacific Ave. Santa Cruz	07/16/80	Peerless Stages, Inc.	Pacific Station Multi-Modal Facility	Active transit center
5-152-31	Santa Cruz, CA 920 Pacific Avenue Santa Cruz	09/22/80	Reward Enterprises	Pacific Station Multi-Modal Facility	Active transit center
8-013-04	Santa Cruz, CA 120 Golf Club Dr. Santa Cruz	6/24/05	The Estate of Yvonne A. Humphrey. Brent J. Bouchard, executor.	MetroBase Project	Future Maintenance Shop Location
8-013-7 previously 8-013-5	Santa Cruz, CA 138 Golf Club Dr. Santa Cruz	05/19/71	Cecil E. Woodsy Minnie M. Woolsey	Minor Maintenance Shop Location MetroBase Project	Active Maintenance Facility being retrofitted for CNG repairs
8-013-7 previously 8-013-6	Santa Cruz, CA 138 Golf Club Dr. (previously 140 combined with 138) Santa Cruz	07/7/71	Sally Anne Smith	Minor Maintenance Shop Location MetroBase Project	Active Maintenance Facility being retrofitted for CNG repairs
8-032-06	Santa Cruz, CA 1200 River St. Santa Cruz	06/15/77	Warren R. French Mabel L. French	Operations Dept. Location MetroBase Project	Active Operations Dept.
Bus Stop #2551. No APN # listed	Santa Cruz, CA 17 th Ave./Tremont Santa Cruz	09/5/89	No. Calif. VOE Elderly Housing, Inc.	17 th & Tremont Bus Stop Donation Live Oak Location	Active bus stop with shelter
22-211-90	Scotts Valley, CA 425 King's Village Bart Cavallaro Transit Center	011/15/96	Church of Latter-Day Saints 13.87% ownership by Scotts Valley Redevelop. Agency	Bart Cavallaro Transit Center Park and Ride Lot Multi-Modal Facility	Active Transit Center

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Attachment A

SCMTD DEEDS

APN NO.	PARCEL LOCATION	DATE OF ACQUISITION BY SCMTD	ACQUIRED FROM	DESCRIPTION	STATUS OF USE
017-011-54	Borders West Lake Ave. & Rodriguez St., Watsonville, CA - Watsonville Transit Center	05/9/86	Crocker National Bank	Watsonville Transit Center Multi-Modal Facility	Active transit center
017-011-57 and 017-011-58 (formerly 51 & 52)	Watsonville, CA Watsonville Transit Center	10/06/88	Allan Louis Alexander Ann Alexander Rando John M. Batistich Joan M. Batistich Janet F. Ryan	Transit-Oriented Mixed Use Facility which includes a Child Care Center	99-year lease with City of Watsonville for \$1.00 per year.
008-032-05	1122 River St.	06/25/05	The 2004 Jeannine M. Gibson, Family Trust, Jeannine Marie Gibson, Trustee	MetroBase Project	Future site of MetroBase Fueling Facility
086-102-14	Boulder Creek, CA 17835 China Grade Boulder Creek	04/7/05	Santa Cruz County/The Henry F. Plummer Trust, Henry F. Plummer, Trustee	Easement at China Grade & Hwy 236	Bus Turnaround
008-011-14	Santa Cruz, CA 110 Vernon Street Santa Cruz	08/01/07	Mindi Broughton and Paul Broughton, Broughton Land LLC, A California Limited Liability company	MetroBase Project	Current fleet administration offices; future general administration offices and facilities department
No APN # listed	Intersection of Soquel Ave., Soquel Dr. and Highway 1 Soquel	3/29/88	State of California, Dept. of Transportation	Director's Deed #DD-47160-1 for 1.312 acres and .037 of an acre for Soquel Park & Ride Lot	Active Park and Ride Lot

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**PROPERTIES LEASED BY
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

PROPERTY ADDRESS/ LESSOR	TERM/ NOTICE/ BOARD ACTION	MONTHLY LEASE AMT.	USE OF PROPERTY
111 Dubois IULIANO 1977 TRUST	03/01/05- Beginning 02/29/10- Ending	\$11,595.94/mo \$139,151.28/yr	Major Maintenance Facility
115 Dubois IULIANO 1977 TRUST	02/01/05-Beginning 01/31/08-Ending	\$3,164.04/mo \$37,968.48/yr	Bus and vehicle parking
370 Encinal Street Edward and Barbara Hinshaw	01/15/99- Beginning 01/14/06- Ending 01/15/06- Ext. begins 01/15/08- 2 nd ext. begins 01/15/09 – 3 rd ext begins	\$28,000.00/mo \$336,000.00/yr	Administration Offices/ Facilities Maintenance
425 Front Street Greyhound Lines, Inc.	07/01/98- Beginning 06/30/03- Ending 07/01/03- Ext. begins 12/31/08- end of term	\$681.59/Month \$8,179.11 (Fiscal Year from 07/07-06/08)	Bus parking
2880 Research Park Drive, Soquel, CA Soquel III Associates	09/01/04-Beginning 08/31/09-Ending	\$11,651.11/mo \$139,813.32/yr	ParaCruz Operations Facility
1200 River Street (small portion) City of Santa Cruz	10/01/04- Beginning 09/30/44- Ending	\$1.00/Annually *100% of taxes and assessments	Future MetroBase facility

Grant of Easement and Agreement

Capitola Mall Macerich Partnership, LP	Perpetual	\$1,407.05/mo \$16,884.60	Active Transit Center
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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 21, 2007
TO: Board of Directors
FROM: Tom Stickel, Manager of Maintenance
SUBJECT: CONSIDERATION OF AWARD OF CONTRACT WITH CLASSIC GRAPHICS FOR VEHICLE BODY REPAIR AND PAINT SERVICES

I. RECOMMENDED ACTION

District Staff recommends that the Board of Directors authorize the General Manager to execute a contract with Classic Graphics for vehicle body repair and paint services.

II. SUMMARY OF ISSUES

- A competitive procurement was conducted to solicit proposals from qualified firms.
- One firm submitted a proposal for the District's review.
- District staff reviewed and evaluated the proposals.
- District staff is recommending that a contract be established with Classic Graphics for vehicle body repair and paint services.

III. DISCUSSION

The District sought proposals to provide body repair and painting services, as required, for the District's buses, cars, service trucks and utility vehicles. These services include, but are not limited to the following: body panel/structure repair and replacement; repair and replacement of glazing frames and glazing; painting; and addition or production of truck/bus accessory body parts as specified by the District.

On November 2, 2007, District Request for Proposal No. 08-10 was mailed to twenty-nine firms, was legally advertised and a notice was posted on the District's web site. On November 30, 2007, one proposal was received and opened. District staff have reviewed and evaluated the proposal received. It should be noted that Classic Graphics has had the contract for vehicle body repair and paint services for the last five years and has provided acceptable service.

District staff is recommending that the Board of Directors authorize the General Manager to execute a two-year contract with Classic Graphics for vehicle body repair and paint services for an amount not to exceed \$415,000. Contractor will provide services meeting all District specifications and requirements.

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IV. FINANCIAL CONSIDERATIONS

Funding for this contract is contained in the Operating Budget of the Fleet Maintenance Department.

V. ATTACHMENTS

Attachment A: Contract with Classic Graphics

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.scmtd.com

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CONTRACT FOR VEHICLE BODY REPAIR AND PAINT SERVICES (08-10)

THIS CONTRACT is made effective on January 1, 2008 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("District"), and CLASSIC GRAPHICS ("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 Vehicle Body Repair and Services

District has the need for Vehicle Body Repair and Services. In order to obtain these services, the District issued a Request for Proposals, dated November 2, 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 Vehicle Body Repair and Services and whose principal place of business is 7969 Enterprise Drive, Newark, California. Pursuant to the Request for Proposals by the District, Contractor submitted a proposal for Vehicle Body Repair and Services, which is attached hereto and incorporated herein by reference as Exhibit "B."

1.04 Selection of Contractor and Intent of Contract

On December 21, 2007, District selected Contractor as the offeror whose proposal was most advantageous to the District, to provide the Vehicle Body Repair and 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 November 2, 2007

B. Exhibit "B" (Contractor's Proposal)

Contractor's Proposal to the District for Vehicle Body Repair and Services, signed by Contractor and dated November 30, 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 November 2, 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 November 2, 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 two (2) 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 three (3) 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 thirty (30) days of District written approval of Contractor's written invoice for said work. Contractor understands and agrees that if

he/she exceeds the \$415,000 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

T & J Lewis Inc. dba Classic Graphics
7969 Enterprise Drive
Newark CA 94560
Attention: President

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
T & J LEWIS INC. dba CLASSIC GRAPHICS

By _____
Tracy S. Lewis
President

Approved as to Form:

Margaret Rose Gallagher
District Counsel

EXHIBIT -A-

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Request for Proposals (RFP)

For Vehicle Body Repair and Paint Services

District RFP No. 08-10

Date Issued: November 2, 2007

Proposal Deadline: 5:00 P.M., November 30, 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

VEHICLE BODY REPAIR AND PAINT SERVICES RFP NO. 08-10

(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):

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.

SECTION 1 – Labor Rate	UNIT COST	EXTENDED
1. Labor Rate For Providing Body Repair Services	\$ /hr	
2. 6,000 Estimated hours for a two-year contract x labor rate		\$
SECTION 2 – Complete Repaints of Buses		
Cost For Complete Repaints Of Buses (Based On Estimated Number Of Units)		
3. Two Each 24 Ft Buses	\$	\$
4. Eight Each 35 Ft Buses	\$	\$
5. Eight Each 40 Ft Buses	\$	\$
6. Time for Completion. All work to repaint a bus will be completed within _____ calendar days after receipt of bus at Contractor's work site.		
7. Total of SECTION 2	(Add Lines 3, 4, & 5)	\$
SECTION 3 – Repair Parts *		
8. District's Estimate Of Repair Parts For A Two-Year Contract		\$50,000.00
9. Contractor's Mark-Up On Cost Of Parts	%	
10. Dollar Amount Of Mark-Up (\$50,000 x line 9)		\$
11. Total of SECTION 3	(Add Lines 8 and 10)	\$
12. TOTAL PRICE PROPOSED FOR A TWO-YEAR CONTRACT	(Add Lines 2, 7, & 11)	\$
12. Payment Terms Offered: _____% Net _____ Days (District will consider cash discounts if payment terms allow a minimum of fourteen (14) calendar days for payment. Cash discounts will not be considered in determining the award of contract.)		
* If repair progress to vehicle is delayed by excessive lead times on parts delivery, District reserves the right to provide parts to Contractor.		

LIST OF REFERENCES

(Do not use Santa Cruz Metropolitan Transit District as a reference)

1. COMPANY NAME _____
STREET ADDRESS _____
CITY, STATE, ZIP _____
NAME OF PERSON
TO CONTACT _____
AREA CODE/PHONE # _____

2. COMPANY NAME _____
STREET ADDRESS _____
CITY, STATE, ZIP _____
NAME OF PERSON
TO CONTACT _____
AREA CODE/PHONE # _____

3. COMPANY NAME _____
STREET ADDRESS _____
CITY, STATE, ZIP _____
NAME OF PERSON
TO CONTACT _____
AREA CODE/PHONE # _____

FORM A-1 APPROVED EQUALS

(IMPORTANT: USE A SEPARATE FORM FOR EACH SEPARATE SOLICITATION PROVISION OR SPECIFICATION ITEM REQUEST)

Submitted By: _____
Company Name

The District requires that all prospective bidders completely fill out and attach this form with every separate specification item request for an Approved Equal pertaining to this Contract. Failure to completely fill out this form and submit with the request may result in denial of the request. Any further information which may be useful in reviewing such a request should also be attached to this form.

1. Approved equal is being requested for _____,
To be used in place of (list technical specification or other reference number, [e.g. Page III-1, item])
_____.
2. Description of approved equal request/substitution

3. Product purpose _____

4. Does this proposed approved equal request/substitution meet all applicable federal, state and local laws and regulations? _____

5. List three (3) transit properties within the United States which have used the proposed approved equal request/substitution (list California properties first).

A. Company Name _____
Street Address _____
City/State/Zip Code _____
Area Code/Telephone No._(_____) _____
Name Of Contact Person _____

B. Company Name _____
Street Address _____
City/State/Zip Code _____
Area Code/Telephone No._(_____) _____
Name Of Contact Person _____

C. Company Name _____
Street Address _____
City/State/Zip Code _____
Area Code/Telephone No._(_____) _____
Name Of Contact Person _____

6. List the benefits and any other reasons why the District should approve this request for approved equal/substitution.

7. Attach pertinent test data, technical data and background information on the approved equal substitution request.

**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 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: _____

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
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TOTAL CLAIMED DBE
PARTICIPATION \$ _____ _____ %

PART III

SPECIFICATIONS FOR VEHICLE BODY REPAIR AND PAINT SERVICE

1. General Description

The specifications described below set forth the minimum requirements for the quantity and quality of work to be provided hereunder. As used herein, the term "work" refers to the articles, equipment, materials, supplies and labor as specified, designated or otherwise required by the Request for Proposals (RFP). Additional terms, conditions and requirements pertaining to the methods and manner of performing the work are described elsewhere in the RFP.

Except where specified to the contrary herein, all work shall be new and shall be supplied with the equipment and accessories indicated as standard equipment in manufacturer's published descriptions, owner's manuals, and other literature for said work. No advantage shall be taken by the Contractor in omitting any unspecified article that goes into making the work complete and ready for immediate use.

2. Description of Work, Body Repair and Paint

- 2.1 The Contractor shall provide body repair and painting services, as required, for the District's buses, vans, cars, service trucks and utility vehicles. These services shall include, but not be limited to the following: body panel/structure repair and replacement; repair and replacement of glazing frames and glazing; addition or production of truck/bus accessory body parts as specified by the District. Bus refurbishments and body related retrofit work will be negotiated at the time of repair. District fleet consists of approximately one hundred thirteen (113) buses, thirty-two (32) Para Transit vans, six (6) Para Transit buses and forty-three (43) sedans, vans, trucks and pickups. The District currently has fifteen (15) CNG powered transit buses with thirty-five (35) buses to be converted to CNG.
- 2.2 All parts replaced during the course of a repair shall be OEM unless otherwise instructed by the District. **If repair progress to vehicle is delayed by excessive lead times on parts delivery, the District reserves the right to provide parts to Contractor.**
- 2.3 Upon completion of the body repair, the Contractor will paint the areas of the vehicle required, matching the existing paint type, color, and graphic layout. The Contractor will install all applicable decals on each vehicle prior to delivery in their original location. The District normally will provide all required decals. The Contractor will be responsible for the safe removal of exterior District advertising decals, if such removal is necessary to perform required work in accordance with the scope of these specifications. The removed decals will not be reused and shall be properly disposed of by the Contractor at the Contractor's expense. District reserves the right to negotiate with successful Contractor to provide specialty decals not available to the District on an item-by-item basis.
- 2.4 The District makes no representation or guarantee as to the minimum or maximum amount of body repair and paint services to be purchased under this contract. District estimates that repairs shall not exceed \$100,000.00 per year.

3. Estimates

- 3.1 When vehicle body repair and/or paint services are required, Contractor shall provide a written estimate of the time and expense required to perform the work on that vehicle to the District's Manager of Maintenance prior to commencement of work. Estimates may be submitted before Contractor has picked up the vehicle. **Estimates shall include the number of calendar days required to complete the job.** All work will be required to be completed within Contractor's written estimate and District's Notice to Proceed.

- 3.2 The Contractor will inspect each vehicle to be repaired and will provide a written estimate for the work to be performed. The District will provide the Contractor with a written notice to proceed with each repair. The successful Contractor and the District will establish and agree upon the amount of vehicle body repair and paint service required to be done on each vehicle at time of repairs.
- 3.3 All of the Contractor's written estimates shall include both the cost and time schedule required to complete the work. If the Contractor needs to change the schedule the Contractor shall communicate this schedule change request to the District. This change will then be agreed upon and confirmed in writing by the District.
- 3.4 Vehicle availability will be subject to District service needs.

4. Qualification Of Contractors

The District may reject the proposal of any Contractor deemed not to possess the minimum qualifications to perform the required work. In order to be deemed minimally qualified, a Contractor must:

- 4.1 Be a person or firm having the capabilities of providing Vehicle Body Repair Services and Repainting Services as described in the Technical Specifications; and
- 4.2 Have the facility, equipment, materials, tools and labor capable of performing the aforementioned service; and
- 4.3 Be properly licensed in accordance with the State Bureau of Automotive Repairs and comply with all state and local codes required to perform the specified services.
- 4.4 Have knowledge and experience in repairing compressed natural gas powered vehicles.
- 4.5 The District reserves the right to inspect the Contractor's premises prior to Contract award or at any time during the Contract period.
- 4.6 Each Contractor shall submit the form entitled "List of References," Page II-3, which is a list of three (3) firms for which it provides or has provided comparable services.
- 4.7 Failure to provide information regarding experience may result in rejection of the proposal.

5. Interpretation Of The Contract Specifications

- 5.1 If any person contemplating submitting a proposal for the proposed Contract is in doubt as to the true meaning of any provision of these Contract Specifications, he or she shall submit to the District's Purchasing Agent, a written request for an interpretation or clarification. The District will respond to such requests prior to proposal opening.
- 5.2 Any interpretation, change, or correction of these specifications will be made by written addenda only, duly issued by the District Purchasing Agent. Copies of such addenda will be mailed or delivered to each firm receiving a set of specifications. All oral modifications of these specifications are void and ineffective.

6. Approved Equal Requests

- 6.1 It is understood that specifying a brand name, or specific types of components and/or equipment in these specifications shall not relieve the Contractor from its responsibility to furnish the end product in accordance with the warranty and contractual requirements. The Contractor is responsible for notifying the District of any inappropriate brand names, or types of components and/or equipment that may be called for in these specifications, and to propose a suitable substitute for consideration. Unless otherwise specifically provided in the specifications, reference to any equipment, material, article or patented process by trade name, make or catalog number shall be regarded as establishing a standard of quality and shall not be construed as limiting competition. A Contractor may, at its option, use any equipment, material, article, or process which, in the judgment of the District, is equal to that designated. To do so a Contractor shall furnish, at its own expense, all

test results, technical data and background information required by the District in making the determination as to whether the proposed equipment, material or article or process, in the judgment of the Purchasing Agent, is equal to that designated.

- 6.2 The District shall be the sole judge as to the comparative quality and suitability of alternative equipment, articles, material or process, and its decision shall be final.

7. Approved Equal Procedures

- 7.1 Prospective Contractors may discuss these specifications with the District's Purchasing Agent. This, however, will not relieve Contractors from the procedure of submitting written documented requests as required by 7.2 below.

- 7.2 Requests for Approved Equals must be received by the District in writing (110 Vernon Street, Suite B, Santa Cruz, CA 95060) or by facsimile at (831) 469-1958 or by email (llongnec@scmted.com) **no later than November 16, 2007.** No such requests will be considered by the District if received after this date.

- 7.3 Each request for an approved equal pertaining to a specified product requirement in the Technical Specifications must be accompanied by a completed "Request for Approved Equal Form" (Form A-1) for each work item request, a sample copy of which is included in this package and identified as "Form A-1."

- 7.4 Failure to submit "Form A-1" with each item request for approved equal may result in denial of the request.

- 7.5 In addition, any request for an Approved Equal must be fully supported with technical data, test results or other pertinent information as evidence that the substitute offered is equal to or better than the specification requirement, including, any test requirements in the specifications that pertain to an item under consideration for Approved Equal must be submitted with the request for Approved Equal.

- 7.6 All requests for Approved Equals shall be addressed to the District Purchasing Agent.

- 7.7 A "denial" response from the District on a properly submitted written approved equals request or, in the absence of written requests for approved equals per the requirements and in the form set forth above, such submission or lack of submission thereof shall constitute a Contractor's acknowledgment and acceptance of all terms, conditions, specifications and provisions contained in this solicitation or the Approved Equal, as applicable.

- 7.8 The District's reply to requests received pursuant to 7.2 above, **will be postmarked by November 20, 2007.** District reserves the right to postpone this deadline or the proposal opening for its own convenience.

8. Pick-Up and Delivery

- 8.1 For all vehicles requiring service under this Contract, the Contractor is responsible for pickups from and deliveries to the designated location, at the Contractor's sole expense. **All drivers operating District vehicles shall possess a valid Class B commercial operator's license with "P" endorsement.** In the event that a vehicle is determined by the District to not be drivable, the District will arrange to have the vehicle towed to the Contractor's facility at the District's expense.

- 8.2 Within seven working days after the District conveys its request to the Contractor for the complete repainting of a particular vehicle, the Contractor shall pick up the vehicle from the designated location, perform the required repainting services, and deliver the vehicle to the designated location. Delivery location will be the Fleet Maintenance facility, 111 Dubois Street, Santa Cruz during the hours of 8:00 a.m. to 12:00 p.m. and 1:00 p.m. to 4:00 p.m. **Contractor shall provide District with twenty-four (24) hour notice prior to Contractor's personnel appearing at District's facility to drive vehicle to back to Contractor's work site.**

9. Quality

- 9.1 All body repair and paint service work shall be of first class quality, and the workmanship shall be the best obtainable in various trades. All paintwork shall be applied uniformly and evenly and be free of runs, drips, bubbles, orange peel and sags. All black rubber trim, tires and windows shall be free of paint over spray. All interior surfaces shall be free of dust, dirt and paint over spray.
- 9.2 No advantage shall be taken by the Contractor in the omission of any part or detail that is required to make the District's vehicles complete and ready for service, even though such parts or detail are not mentioned in these specifications.
- 9.3 All materials or parts not specified shall be the manufacturer's standard (OEM or better) units. In all cases, material must be furnished as specified, but if the term "approved equal" is used, the District's Fleet Maintenance Manager must approve any materials or equipment substituted for the specified material or equipment prior to submitting an estimate.

10. Location of Work

All work is to be performed on the Contractor's premises. In order to minimize the wear and tear and mileage on District vehicles, the work required under this Contract shall be performed at a facility located within 100 miles of the Santa Cruz County borders.

11. Term of Contract

- 11.1 The term of the contract will be for a period of two (2) years and shall commence upon the signing of the agreement by the successful Contractor and the District. At the option of the District, this contract agreement may be renewed for three (3) additional one (1) year terms under the same terms and conditions.
- 11.2 On option years only, Contractor will be allowed to increase rates. Rate increases may not exceed the annual percentage change of the Consumer Price Index for the San Francisco, Oakland, San Jose Area or percentage increases in Contractor's published prices, whichever is lower. In all cases, the District may cancel the contract if a requested price increase(s) is not acceptable.

12. Description of Work, Complete Repaints

- 12.1 The Contractor shall provide complete repaints of the District's buses, when requested. The buses to be repainted shall be 24 feet, 35 feet, and 40 feet long. Cost estimates for each bus size will be provided by the Contractor on the proposal response.
- 12.2 For the purposes of establishing a base price for complete repaints, the Contractor shall provide a price for "Standard Repaints," which are described below:
 - 12.2.1 Remove decals and strip entire bus of body hardware and accessories to allow for proper preparation for repainting.
 - 12.2.2 Provide minor body repair work as needed (minor scratches, dents, etc.).
 - 12.2.3 Prepare all surfaces for proper paint adhesion using compatible etching and primer products. All standard preparatory labor shall be included in the standard repaint unit cost.
 - 12.2.4 Finish paint all surfaces with PPG paint products (or approved equal) in three colors as listed below:
White - DCC 8631 Dark Blue - DCC 16223 Aqua – DCC 48973
 - 12.2.5 Yellow Decal to be 3M Scotchlite 3" wide, Part No. 75-0001-6455-0
 - 12.2.6 All front and rear bus bumpers and fenders shall be primed with self etching primer, Dupont Variprime 616 or equivalent and painted with black acrylic Dupont Centauri enamel paint with

Centauri 99A hardener and 793 flattener.

- 12.2.7 All District vehicles requiring a clear coat process will be specified at time of repairs. The clear coat process will be the PPG LOW VOC two-stage process to match the manufacturer's paint and process.
- 12.2.8 Finished paint shall measure a minimum of 1.5 millimeters thick, measured from bus metal body to the surface of paint finish.
- 12.2.9 Buses will adhere to the exact dimensional graphics layout as provided on the buses when repainted. The District reserves the right to request minor layout variations to conform to updated District standards.
- 12.2.10 Upon completion of the painting, the Contractor shall install all applicable decals on the vehicle prior to delivery. Normally all required decals will be provided by the District.
- 12.2.11 Bus interiors will be cleaned and be free of dust and dirt prior to delivery back to the District.
- 12.2.12 The District and Contractor will establish the amount of work to be done on each vehicle at time of repairs. Each vehicle will be inspected for corrosion and body damage. Any corrosion detected will be removed and the exposed surface treated with a corrosion inhibitor.
- 12.2.13 Body damage will be repaired according to industry standards with minimal use of body filler. All repairs shall include a primer coat and at least one coat of paint. All parts used shall be original equipment manufacture's parts. Contractor may substitute after market or used parts when it is agreed upon in writing between the Contractor and District as the most cost effective way to perform specific repairs.

13. Receiving Inspection

- 13.1 The successful Contractor will deliver all repaired vehicles to District's Maintenance facility at 111 Dubois Street, Santa Cruz during the receiving hours of 8:00 a.m. - 12:00 p.m. and 1:00 p.m. - 4:00 p.m. All receiving documents must accompany delivered vehicle. Receiving documents will include a detailed invoice listing all applicable charges and assigned District purchase order number.
- 13.2 Within five (5) working days from the time of delivery, the vehicle shall be inspected to confirm compliance with all the agreed upon repair specifications. If, upon inspection for conformance to the requirements of this specification, deficiencies are detected, the vehicle repair job will be rejected and the Contractor will be required to make the necessary adjustments, replacements or repairs at Contractor's expense. If the vehicle is rejected, it shall be the Contractor's responsibility to pickup the vehicle, make the necessary corrections and re-deliver the vehicle for re-inspection and acceptance. Payment will not be made until the defects are corrected.

14. Final Acceptance

Repaired vehicles will not be accepted until all deficiencies detected during initial and subsequent inspections are corrected.

15. Warranty

All workmanship and materials provided by the Contractor will be warranted for a period of one (1) year from the date the work was accepted by the district.

16. Responsibility

The Contractor shall assume responsibility for all materials and labor for the services provided for under this Contract, whether the same are provided by the Contractor or purchased from an outside source.

17. Liquidated Damages

17.1 Time is of the essence in this contract. The Contractor shall pay to the District the sum of sixty dollars (\$60.00) per day for each and every calendar day that the Contractor fails to provide the required items as specified in these Contract Documents and Technical Specifications subject to extensions granted thereto in writing by the District.

17.2 The Contractor agrees to pay such liquidated damages as herein provided and, in case the same are not paid, agrees that the District may deduct the amount thereof from any money due or to become due to the Contractor under the Contract. The Contractor will be granted an extension of time and will not be assessed with liquidated damages for any delay in the delivery of items ordered beyond the time period specified for delays caused by acts of God or of the public enemy, fire, floods, epidemics, quarantine, restrictions, strikes, labor disputes, shortage of materials and freight embargoes, or other causes deemed by the District to be beyond the reasonable control of the Contractor, provided Contractor notifies the District in writing of the causes of delay within five (5) calendar days from the beginning of any such delay. The District shall ascertain the nature of the delay and determine whether an extension of time is warranted, which determination shall be final and conclusive. Contractor has the burden of proof that the delay was beyond its control.

18. District's Use of Alternate Contractors

The District will retain the right to seek outside estimates from alternate suppliers for any repair or repainting work specified within this Contract. The District may at its sole discretion, place this work with alternate suppliers if this is deemed to be in the best interest of the District.

19. Proposal Forms

Proposals must be submitted on the proposal forms provided (yellow pages). Proposals submitted in any other form will be considered non responsive and may be rejected. Any proposal which is conditioned in whole or in part, which revises or omits any requirement or provision of the Contract Documents and Specifications, which is based on any substitution for an item specified in the Contract Documents and Specifications when such substitution has not received formal approval by the District, or which includes an escalation clause or any other requirements or provisions not contained in the Contract Documents and Specifications may be considered non responsive, and for that reason rejected.

20. Proposal Prices/Completion Of Proposal Forms

20.1 In Section 1 of the Proposal Form, Contractor shall enter its per hour labor rate for performing body repair services on District buses, automobiles, vans and service trucks. This rate must be shown as the straight time hourly labor rate. Contractor shall multiply its hourly rate by the District's estimated service hour requirements (6,000 service hours) for a two (2) year period and enter extended price.

20.2 In Section 2, Contractor shall enter its unit proposal price for complete repaints (as described in Part III, item 12) of District buses based on the sizes shown. Contractor shall multiply each unit proposal price by the estimated number of units for the extended price.

20.3 In Section 3, Contractor must enter the percentage mark-up for repair parts, for a two (2) year period. The \$50,000.00 figure shown in Section 3 is a representative number only. The actual cost of repair parts may differ from this number. Contractors shall multiply the estimated cost of repair parts for a two (2) year period by the Contractor's percentage markup. Contractors shall add the dollar amount to the estimated cost of repair parts and enter it into the "Extended" column.

20.4 If repair parts are provided by the Contractor, such parts will be provided to the District at the Contractor's net cost, plus the percentage mark-up quoted on the Proposal Form.

20.5 Where prices are called for on the Proposal Form, the prices shall include all costs required to perform the work, including overhead, profits, services, insurance, delivery/pickup charges and any and all other applicable costs.

20.6 The term of this Contract commences on the date of execution and shall remain in force for a two (2) year period thereafter. All rates offered shall remain firm through this contract period. At the option of the District, this contract may be renewed for three (3) additional one (1) year terms under the same conditions with any rate increases not to exceed the annual percentage change of the Consumer Price Index (CPI) for the San Francisco –Oakland – San Jose Area. District and Contractor may extend the term of this Contract at any time for any reason upon mutual written consent. The effective date of the CPI adjustment, if any, will commence on either; 1) the first day of the third and/or subsequent year(s) term of the contract, or 2) the date of the Contractor’s request, whichever event is later.

20.7 Contractor must complete the "Extended " column by multiplying the estimated quantity by the unit price. Contractor shall enter in the " Total Proposal Price for a Two Year Contract " space the total of all "Extended " amounts.

20.8 In the event there is a discrepancy between the computed extension price and the unit price, the unit price shall control and the mathematical error will be corrected accordingly.

20.9 Contractor must offer a price proposal on all items shown on the proposal form. Failure to do so may result in rejection of the proposal.

21. Evaluation Criteria

21.1 Award of contract will be based on information provided in response to the RFP and a variety of factors, including costs, evaluation of proposals according to District specified criteria, consideration of any exceptions taken to District’s proposed contract terms and conditions, qualifications and experience, information provided by offeror’s references for whom work of a similar nature has been done, and Disadvantaged Business Enterprise (DBE) participation.

21.2 Proposals submitted by each offeror shall be evaluated separately based on how well the proposal meets the District’s criteria. Selection will be based on written proposals alone.

21.3 If a single proposal is received in response to this RFP, the District will be required to perform a detailed cost/price analysis in order to award the contract.

21.4 The overall evaluation process will be performed by a Evaluation Committee. The evaluation criteria set forth at the end of this section will be the sole basis for determining the technical acceptability of proposals. The technical proposal should be specific and complete in every detail. Reference checks may be made of the top rated offeror(s).

21.5 Proposals will be evaluated according to the following criteria, which shall be the sole criteria for determining qualifications for contract award:

Criteria	Points
Cost Proposal	35 points
Experience and Qualifications	25 points
Proposed Turnaround Time for Repaints and Repairs	20 points
References	15 points
Disadvantaged Business Enterprise (DBE) participation	5 points
Total Points Possible	100 points

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) 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 \$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. SINGLE PROPOSAL

If only one proposal is received in response to the RFP, Offeror may be required to submit to District within five (5) days of District demand, a detailed cost proposal. The District may conduct a cost or price analysis of the cost proposal to determine if the proposal price(s) are fair and reasonable. Offeror shall cooperate with District in compiling and submitting detailed information for the cost and price analysis.

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 VEHICLE BODY REPAIR AND PAINT SERVICES (08-10)

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 Vehicle Body Repair and Services

District has the need for Vehicle Body Repair and Services. In order to obtain these services, the District issued a Request for Proposals, dated November 2, 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 Vehicle Body Repair and Services and whose principal place of business is _____. Pursuant to the Request for Proposals by the District, Contractor submitted a proposal for Vehicle Body Repair and 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 Vehicle Body Repair and 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 November 2, 2007

B. Exhibit "B" (Contractor's Proposal)

Contractor's Proposal to the District for Vehicle Body Repair and Services, signed by Contractor and dated November 30, 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 November 2, 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 November 2, 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 two (2) 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 three (3) 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 thirty (30) 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 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

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

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 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

Phone
(510) 744-2190

7969 Enterprise Drive
Newark, California 94560

Fax
(510) 713-8541

November 23, 2007

Santa Cruz Metropolitan Transit
Purchasing Office
110 Vernon Street, Suite B
Santa Cruz, CA 95060

Re: Vehicle Body Repairs and Paint Services (RFP No. 08-10)

Dear Purchasing Office,

Thank you for the opportunity to submit a proposal for body repairs and paint services.

I have been working in the paint and body repair industry for 31 years. Classic Graphics has been business since 1992. We have many qualified employees with a range of knowledge from being ASE & I-CAR Certified to employees who have received on the job training for 2 to 25 years. We feel confident that our shop will be able to meet your needs and ask that you call upon our references to confirm our statement.

An actual turn a round time for repairs cannot be determined until the job is estimated; however, from previous experiences we can estimate an approximate time frame for turn a round on an average body and spot refinish one color to be three days, body and spot refinish two colors to be four days and body and spot refinish three colors to be five days. We also estimate a proposed time of five to seven working days for a complete paint job.

If you have any questions, please contact me at (510) 744-2190.

Again, thank you for the opportunity to submit a proposal for services. We look forward to hearing from your office soon.

Sincerely,



Tracy Lewis
President

T & J LEWIS, Inc.
Dba CLASSIC GRAPHICS

PART II

GENERAL INFORMATION FORM

VEHICLE BODY REPAIR AND PAINT SERVICES RFP NO. 08-10

(To be completed by the offeror and placed at the front of your proposal)

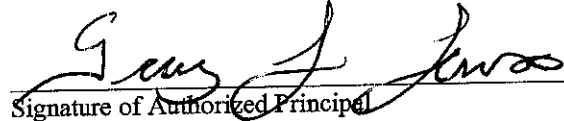
T & J LEWIS INC.
dba Classic Graphics 11-21-07
Legal Name of Firm Date

7969 Enterprise Drive, Newark, CA 94560
Firm's Address

(510) 744-2190 (510) 713-8541
Telephone Number FAX Number

Corporation 80-0010376
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

Tracy S. Lewis, President
Name of Principal-in-Charge and Title

Tracy Lewis
Name of Project Manager and Title

Tracy Lewis, President + lewis@classicgraphicsbodyshop.com 510-744-2190
Name, Title, Email Address and Phone Number of Person To Whom Correspondence Should be Directed

7969 Enterprise Drive, Newark CA 94560
Addresses Where Correspondence Should Be Sent

Paint & Body Repairs
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):

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.

	UNIT COST	EXTENDED
SECTION 1 – Labor Rate		
1. Labor Rate For Providing Body Repair Services	\$ 50. ⁰⁰ /hr	
2. 6,000 Estimated hours for a two-year contract x labor rate		\$ 300,000.00
SECTION 2 – Complete Repaints of Buses		
Cost For Complete Repaints Of Buses (Based On Estimated Number Of Units)		
3. Two Each 24 Ft Buses	\$ 2,675.00	\$ 5,350.00
4. Eight Each 35 Ft Buses	\$ 3,250.00	\$ 26,000.00
5. Eight Each 40 Ft Buses	\$ 3,550.00	\$ 28,400.00
6. Time for Completion. All work to repaint a bus will be completed within <u>7</u> calendar days after receipt of bus at Contractor's work site.		
7. Total of SECTION 2	(Add Lines 3, 4, & 5)	\$ 59,750.00
SECTION 3 – Repair Parts *		
8. District's Estimate Of Repair Parts For A Two-Year Contract		\$50,000.00
9. Contractor's Mark-Up On Cost Of Parts	10 %	
10. Dollar Amount Of Mark-Up (\$50,000 x line 9)		\$ 5,000.00
11. Total of SECTION 3	(Add Lines 8 and 10)	\$ 55,000.00
12. TOTAL PRICE PROPOSED FOR A TWO-YEAR CONTRACT	(Add Lines 2, 7, & 11)	\$ 414,750.00
12 Payment Terms Offered: _____ % Net _____ Days (District will consider cash discounts if payment terms allow a minimum of fourteen (14) calendar days for payment. Cash discounts will not be considered in determining the award of contract.)		
* If repair progress to vehicle is delayed by excessive lead times on parts delivery, District reserves the right to provide parts to Contractor.		

LIST OF REFERENCES

(Do not use Santa Cruz Metropolitan Transit District as a reference)

1. COMPANY NAME San Mateo County Transit
STREET ADDRESS 301 No. Access Road
CITY, STATE, ZIP So San Francisco, CA 94083
NAME OF PERSON TO CONTACT Elliott Rivas
AREA CODE/PHONE # 650-508-6413

2. COMPANY NAME Allied Waste Services
STREET ADDRESS 42600 Boyce Road
CITY, STATE, ZIP Fremont, CA 94538
NAME OF PERSON TO CONTACT Dan Nelson
AREA CODE/PHONE # 510-657-1350

3. COMPANY NAME Coca Cola Bottling Co.
STREET ADDRESS 1551 Atlantic Ave.
CITY, STATE, ZIP Union City CA 94587
NAME OF PERSON TO CONTACT Robert McKim
AREA CODE/PHONE # 510-476-7050

**CERTIFICATION OF PROPOSED CONTRACTOR REGARDING DEBARMENT,
SUSPENSION AND OTHER INELIGIBILITY AND VOLUNTARY EXCLUSION**

(Contractor) T & J LEWIS INC DBA Classic Graphics 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) T & J LEWIS INC
DBA Classic Graphics 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)

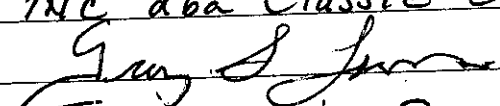
Lobbying Certification for Contracts Grants, Loans and Cooperative Agreements (Pursuant to 49 CFR Part 20, Appendix A)

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 T+J LEWIS INC dba Classic Graphics
Signature of Authorized Official 
Name and Title of Authorized Official Tracy S. Lewis, President
Date 11-21-07

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 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: 11-21-07

Signature: *Gay J. Lewis*

Company Name: T+J LEWIS INC dba Classic Graphics

Title: President

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: _____

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 21, 2007
TO: Board of Directors
FROM: Leslie R. White, General Manager
SUBJECT: CONSIDERATION OF RECEIPT OF INFORMATION FROM THE GENERAL MANAGER REGARDING HIS ATTENDANCE AT THE FALL MEETING OF THE CALIFORNIA TRANSIT ASSOCIATION NOVEMBER 12-14, 2007

I. RECOMMENDED ACTION

That the Board of Directors accept and file information from the General Manager regarding his attendance at the Fall Meeting of the California Transit Association November 12-14, 2007.

II. SUMMARY OF ISSUES

- The California Transit Association (CTA) held the 2007 Fall Meeting from November 12-14, 2007 in Anaheim, California.
- Mark Dorfman and I attended the CTA Fall Meeting representing Santa Cruz METRO.
- As a part of the CTA Fall Meeting a number of instructional sessions and committee meetings were held that I participated in.
- I attended and participated in sessions and committee meetings devoted to legislative issues, transit project funding and management issues, and succession planning.
- I also attended conference sessions addressing: land use and transportation planning issues, issues relating to the development of leaders in the transit industry, issues relating to small system operations, and issues related to "green" technology and global warming.
- Additionally I attended the meeting of the CTA Executive Committee, where I was sworn in as a newly elected Member of the Executive Committee for a two-year term that will be completed in November 2009.
- I attended the first meeting of the newly formed CTA Federal Reauthorization Task Force whose task is to develop a statewide position that will assure that the new federal authorization bill reflects the needs of the transit systems in California.

5-12.1

III. DISCUSSION

The California Transit Association (CTA) held the 2007 Fall Meeting from November 12-14, 2007 in Anaheim, California. Mark Dorfman and I attended the CTA Fall Meeting representing Santa Cruz METRO. As a part of the CTA Fall Meeting a number of instructional sessions and committee meetings were held that I participated in.

I attended and participated in sessions and committee meetings devoted to legislative issues, transit project funding and management issues, and succession planning. I also attended conference sessions addressing: land use and transportation planning issues, issues relating to the development of leaders in the transit industry, issues relating to small system operations, and issues related to "green" technology and global warming.

Additionally I attended the meeting of the CTA Executive Committee, where I was sworn in as a newly elected Member of the Executive Committee for a two-year term that will be completed in November 2009. I attended the first meeting of the newly formed CTA Federal Reauthorization Task Force whose task is to develop a statewide position that will assure that the new federal authorization bill reflects the needs of the transit systems in California.

Overall, I found the CTA Fall Meeting to be very well balanced and informative. The time devoted to both committee meetings and instructional sessions was very productive. A considerable amount of attention and discussion was devoted to the State of California budget and the transit funding problems that it has caused. The current lawsuit that the CTA has filed against the State of California received a lot of attention. Lastly, the vendor equipment exhibits provided valuable information and insight into products that are being developed to improve the quality of transit services that are being provided to the citizens of California.

IV. FINANCIAL CONSIDERATIONS

Funds for the General Manager and Assistant General Manager to attend the Fall Meeting of the California Transit Association were provided for in the FY 2008 Operating Budget.

V. ATTACHMENTS

None

5-12.2

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 21, 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 completing punch-list items.
 - Harris & Associates working with Arntz Builders for closeout material information.
- Maintenance Building
 - West Bay Builders continuing site work on 120 Golf Club Drive property
 - Storm Sewer connection work continuing on Golf Club Drive.
 - PG&E to provide more information for site work.
 - AT&T completing telecom plans.

III. DISCUSSION

Arntz Builders is completing punch-list items to finalize Service & Fueling Building. Harris & Associates is working with Arntz Builders for closeout material information. Harris & Associates issued three non-conformances to Arntz Builders. The three include floor reflectivity, bus wash location, and alarm system. Arntz Builders is working to resolve the non-conformances with Harris & Associates.

West Bay Builders is continuing site work on 120 Golf Club Drive property. West Bay Builders is continuing work on Golf Club Drive for storm and sewer work. West Bay Builders completed the work that was needed for the storm drain on Highway 9 and continuing the work up Golf Club Drive towards the site. On the site, West Bay Builders is working on the Steel Joist Submittals with RNL Design and Harris & Associates.

In regards to electrical, METRO is having issues with PG&E in regards to turnaround time. Application was applied end of last year and METRO has not received final design drawings. METRO staff is continually contacting PG&E representatives for any information. In regards to AT&T, METRO will be receiving final plans for telecommunication materials needed for the project.

5-13.1

Information for the MetroBase Project can be viewed at <http://www.scmttd.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 working on non-conformance issues.
- West Bay Builders continuing site work on 120 Golf Club Drive property.
- PG&E to provide more information for site work.
- AT&T completing Maintenance Building telecom plans.

Previous information regarding the MetroBase Project:

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

- Arntz working on punch-list items and non-conformances.
- Arntz Builders completed trash enclosure and street repaving of Highway 9.
- On January 26, 2007, Board of Directors went on a tour of the MetroBase Project.
- Received Caltrans Encroachment Permit. Work completed.
- Department of Fish&Game approved work on outfall construction completed.
- Concrete Driven Piles completed end of May 2006.
- Arntz Builders providing training to METRO employees.
- 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.
- Tilt-up panels installed, West Bay Builders working on steel joists.
- 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.

5-13.2

V. ATTACHMENTS

Attachment: NONE

5-13.3

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 21, 2007
TO: Board of Directors
FROM: Tom Stickel, Manager of Maintenance
SUBJECT: CONSIDERATION OF AWARD OF CONTRACT FOR PRINTING OF HEADWAYS BUS SCHEDULE AND TRANSPORTATION INFORMATION PUBLICATION WITH FRICKE-PARKS PRESS

I. RECOMMENDED ACTION

District Staff recommends that the Board of Directors authorize the General Manager to execute a contract for printing of Headways Bus Schedule and Transportation Information Publication with Fricke-Parks Press.

II. SUMMARY OF ISSUES

- A competitive procurement was conducted to solicit bids from qualified firms.
- Five printing firms submitted bids for the District's review.
- District staff has reviewed all submitted bids.
- District staff is recommending that a contract be established with Fricke-Parks Press to provide printing of Headways Bus Schedule and Transportation Information Publication .

III. DISCUSSION

Headways is the quarterly schedule book published by METRO to provide passengers and members of the public with current route and timetable information. On October 26, 2007, District Invitation for Bid No. 08-12 was mailed to twenty-three printing firms, was legally advertised, and a notice was posted on the District's web site. On November 27, 2007, bids were received and opened from five firms. A list of firms and a summary of the bids received are provided in Attachment A. District staff has reviewed all submitted bids.

District staff is recommending that a contract be established with Fricke-Parks Press to provide printing of Headways Bus Schedule and Transportation Information Publication for an amount not to exceed \$ 30,000. Contractor will provide all equipment and materials meeting all District specifications and requirements.

IV. FINANCIAL CONSIDERATIONS

Annual costs for four production runs of *Headways* with a quantity of 40,000 schedules per run would cost \$29,940. These costs are included as part of the Customer Service budget.

5-14.1

V. ATTACHMENTS

Attachment A: Summary of Bids Received

Attachment B: Contract with Fricke-Parks Press

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

5-14.2

Recap of IFB 08-12 Printing of Headways			Folger Graphics	Southwest Offset Printing	Alonzo Printing Company, Inc.	Fricke-Parks Press	Office Depot
Item No.	Item Description	Quantity	Unit Price/M	Unit Price/M	Unit Price/M	Unit Price/M	Unit Price/M
1	BASE BID: Run of 40,000, quote price for 30# recycled newsprint and black soy-based ink with grey-screen, 72 pages	Up to 4 production runs	\$ 199.90	\$ 138.00	\$ 235.10	\$ 172.47	\$ 360.00
2	OPTION PRICING: Run of 40,000, quote price for 30# recycled newsprint and black soy-based ink with grey-screen, 80 pages (Cost for an additional 8 pages)	Up to 4 production runs	\$ 221.00	\$ 147.00	\$ 247.00	\$ 185.16	\$ 400.00
3	OPTION PRICING: Cost for an Additional 6,000 copies placed after delivery of 40,000 run of 30# recycled newsprint and black soy-based ink with grey-screen, 72 pages	6 M	\$ 471.75	\$ 293.00	\$ 447.00	\$ 328.96	\$ 490.00
4	OPTION PRICING: Run of 40,000, quote price for 30# recycled newsprint and black soy-based ink plus one color (red) with grey-screen, 72 pages	Up to 4 production runs	\$ 248.00	\$ 155.35	\$ 270.20	\$ 197.47	\$ 590.00
5	Total Base Bid for 4 production runs		\$ 34,702.64	\$ 23,956.80	\$ 40,813.36	\$ 29,940.79	\$ 62,496.00
	Debarment Certification		Yes	Yes	Yes	Yes	Yes
	Lobbying Certification		N/A	N/A	N/A	N/A	N/A
	Buy America Certification		N/A	N/A	N/A	N/A	N/A
	DBE Information		N/A	N/A	N/A	N/A	N/A
	Sample Provided		Yes	Yes	Yes	Yes	No
	Exceptions			Finished Size will be 8" x 10-1/4" not 8" x 10-1/2" as specified			
	Notes			Bid Rejected for specification deviation			

5-14.01

Attachment A

CONTRACT FOR PRINTING OF HEADWAYS (08-12)

THIS CONTRACT is made effective on January 1, 2008 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("District"), and **FRICKE-PARKS PRESS** ("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 Printing of HEADWAYS

District requires the printing of HEADWAYS to be used for standard purposes. In order to obtain said printing of HEADWAYS the District issued an Invitation for Bids, dated October 26, 2007 setting forth specifications for such printing of HEADWAYS. The Invitation for Bids is attached hereto and incorporated herein by reference as Exhibit A.

1.03 Contractor's Bid Form

Contractor is a printing company whose principal place of business is 33250 Transit Avenue, Union City, California. Pursuant to the Invitation for Bids by the District, Contractor submitted a bid for Provision of said printing of HEADWAYS which is attached hereto and incorporated herein by reference as Exhibit B.

1.04 Selection of Contractor and Intent of Contract

On December 21, 2007, District selected Contractor as the lowest responsive, responsible bidder to provide said printing of HEADWAYS. The purpose of this Contract is to set forth the provisions of this procurement.

1.05 Contractor and Supplier Synonymous

For the purposes of this Contract, the terms "contractor" and "supplier" are synonymous.

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 of the General Conditions of the Contract.

a) Exhibit A

Santa Cruz Metropolitan Transit District's "Invitation for Bids" dated October 26, 2007.

b) Exhibit B (Bid Form)

Contractor's Bid Form to the District for Item, signed by Contractor and dated November 27, 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 supersede Exhibit B.

2.03 Recitals

The Recitals set forth in Article 1 are part of this Contract.

3. TIME OF PERFORMANCE

3.01 General

Contractor shall perform work under this Contract at such times to enable it to meet the time schedules specified in the Specifications Section of the IFB. The Contractor shall not be responsible for delays caused by force majeure events described in Section 2 of the General Conditions of the Contract.

3.02 Term

The term of this Contract commences on the date of execution and shall remain in force for a one (1) year period thereafter. At the option of the District, this contract may be renewed for four (4) additional one (1) year terms under the same conditions with any cost increases not to exceed the annual percentage change of the Consumer Price Index for the San Francisco – Oakland – San Jose Area. District and Contractor may extend the term of this Contract at any time for any reason upon mutual written consent.

4. COMPENSATION

4.01 Terms of Payment

Upon written acceptance, District agrees to pay Contractor the rates as identified in the Bid Form, Exhibit B, with a total amount not to exceed \$30,000 for satisfactory completion of work under the terms and provisions of this Contract within thirty (30) days thereof. Contractor understands and agrees that if he/she exceeds the \$30,000 maximum amount payable under this contract, that it does so at its own risk.

4.02 Invoices

Contractor shall submit invoices with a purchase order number provided by the District. Contractor's invoices shall include detailed records. 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 services. No expenses shall be paid by the District unless specifically allowed by this contract.

5. 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

Fricke-Parks Press
33250 Transit Avenue
Union City, CA 94587

Attention: Carlos Armenta, Sales Manager

6. 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 it. 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—FRICKE-PARKS PRESS

By _____
Robert C. Parks
Chairman

Approved as to Form:

Margaret Rose Gallagher
District Counsel

EXHIBIT -A-

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Invitation for Bid (IFB)

**For Printing of HEADWAYS Bus Schedule and
Transportation Information Publication**

District IFB No. 08-12

Date Issued: October 26, 2007

Bid Deadline: 2:00 p.m., November 27, 2007



Contents of this IFB

Part I.	Bid Form
Part II.	Instructions to Bidders
Part III.	Specifications
Part IV.	General Conditions of the Contract
Part V.	Special Conditions of the Contract
Part VI.	Contract
Part VII.	FTA Requirements for Non-Construction Contracts
Part VIII.	Protest Procedures
HEADWAYS SAMPLE ATTACHED	

PART I

BID FORM

The undersigned ("Bidder"), upon acceptance by the District, agrees to furnish all labor, freight, transportation, materials, equipment, services, supplies and other work in accordance with the Invitation for Bids entitled Item dated October 26, 2007 at the following prices. The unit bid prices should NOT INCLUDE SALES, USE, EXCISE OR ANY OTHER TAX, they are to be shown in the second column if applicable.

Item No.	Item Description	Quantity	Unit Price (\$/M)	Tax (8.5 %)	Extended Price
1	BASE BID: Run of 40,000, quote price for 30# recycled newsprint and black soy-based ink with grey-screen, 72 pages	Up to 4 production runs/year			
2	OPTION PRICING: Run of 40,000, quote price for 30# recycled newsprint and black soy-based ink with grey-screen, 80 pages (Cost for an additional 8 pages)	Up to 4 production runs/year			
3	OPTION PRICING: Cost for an Additional 6,000 copies placed after delivery of 40,000 run of 30# recycled newsprint and black soy-based ink with grey-screen, 72 pages	6 M			
4	OPTION PRICING: Run of 40,000, quote price for 30# recycled newsprint and black soy-based ink plus one color (red) with grey-screen, 72 pages	Up to 4 production runs/year			
5	Total				

The successful bidder obligates him/herself to provide any or all of the bid items at the bid price. District reserves the right to award bid items separately or as a package. District may accept or reject the bid items at its discretion. Award of the bid will be based on totals provided for the Base Bid Items, Option Pricing shall not be used in the determination of low bid. The Board of Directors also reserves the right to reject all bids for any reason.

Bidder has examined and is fully familiar with all terms and conditions of the Invitation for Bids and any addenda issued by the District thereto, and Bidder unconditionally submits this bid in strict accordance with said Invitation for Bids. Bidder has carefully checked all words and figures shown on this Bid Form and has carefully reviewed the accuracy of all documents, representations, manufacturer's literature, and statements submitted with this bid.

Bidder understands that this bid constitutes a firm offer to the District that cannot be withdrawn for ninety (90) calendar days from the date of bid opening. If awarded the contract, bidder agrees to deliver to the District executed copies of the final contract and required insurance certificates within ten (10) calendar days of the date of the District Notice of Award. Said Notice of Award shall be deemed duly given to Bidder upon delivery if delivered by hand, or three (3) calendar days after posting if sent by mail to Bidder's address.

Bidder understands that no partial, conditional or qualified bids shall be accepted for any bid item. Bidder further understands the right of the District Board of Directors to accept or reject any or all bids received for any reason. The District reserves the right to waive minor irregularities.

Bidder has included manufacturers' brochures describing the equipment bid under this IFB. Any proposed deviation from any item in the IFB specifications has been delineated on said brochures or on a separate attachment included with the bid. Bidder represents that the equipment and other work bid meets the specifications in all respects unless clearly noted to the contrary in the bid submittal.

The contract, if awarded, will be to the lowest responsive, responsible bidder. Bidder understands that the "lowest responsible bidder" is the lowest bidder whose offer best responds in quality, fitness and capacity to the requirements of the Invitation for Bids. The District reserves the right to award to other than the lowest bidder if the District finds that the lowest bidder is not responsible.

Bidder acknowledges receipt of the following addenda to the Invitation for Bids. All cost adjustments or other requirements resulting from said addenda have been taken into consideration by the bidder and included in the bid.

Addenda No.'s _____

Bidder has submitted the following documents with the bid:

1. Exceptions, if any, taken to the specifications or other sections of the IFB. (Warning: Substantive exceptions will be cause for bid rejection.)
2. Copy of any standard warranties in accordance with the Specifications.
3. Manufacturer's specifications, description, promotional material describing the item bid.
4. Fully executed copy of the "Lobbying Certification" listed as Page I-4 of the Bid, if applicable
5. Fully executed copy of the "Buy America Provision Certification" listed as Page I-5 of the Bid, if applicable.

Bidder understands that bids shall be placed in a sealed envelope marked as indicated below and delivered to the Purchasing Office of the Santa Cruz Metropolitan Transit District, 110 Vernon Street, Suite B, Santa Cruz, California, 95060 prior to the time of bid opening. Bids postmarked before bid opening but delivered afterward shall be rejected.

IFB No. 08-12
"Printing of HEADWAYS"
Bid Opening 2:00 p.m., November 27, 2007

Bidder has full power and authority to enter into and perform the work described in the Invitation for Bids on behalf of the company noted below.

Company Name

Indicate:

Sole Proprietorship Partnership Corporation

Joint Venture with _____

Street Address

City, State, Zip Code

Signature of authorized company official

Typewritten name of above and title

Name, title, and email address of person to whom correspondence should be directed

Telephone Number

FAX Number

Date

Federal Tax ID No.

The Santa Cruz Metropolitan Transit District is a special purpose District and is a subdivision of the State of California.

Listing of major subcontractors 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 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: _____

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: _____

BIDDER DBE INFORMATION

BIDDER'S NAME _____
 DBE GOAL FROM CONTRACT _____ %
 FED. NO. _____
 COUNTY _____
 AGENCY _____
 CONTRACT NO. _____

BIDDER'S ADDRESS _____

 BID AMOUNT \$ _____
 BID 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 bid or 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
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TOTAL CLAIMED DBE
 PARTICIPATION \$ _____ %

 SIGNATURE OF BIDDER

 DATE

 AREA CODE/TELEPHONE

(Detach from proposal if DBE information is not submitted with bid.)

- * 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 bids 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.

BIDDER 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
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TOTAL CLAIMED DBE PARTICIPATION \$ _____ %

PART II

INSTRUCTIONS TO BIDDERS

1. **CONTENTS:** This Invitation for Bids (IFB) includes the (I) Bid Form, (II) Instructions to Bidders, (III) Specifications, (IV) General Conditions of the Contract, (V) Special Conditions of the Contract, (VI) Contract, (VII) FTA Requirements for Non-Construction Contracts, and (VIII) Formal Bidding Procedures. The final Contract with the Successful Bidder will be in the form and substance of the Contract (Part VI) included in the IFB.
2. **SUBMISSION OF BID:** Prior to the date and time of bid opening, all bids shall be delivered to the Purchasing Office of the District at 110 Vernon Street, Suite B, Santa Cruz, California, 95060. All bids shall be in a sealed envelope properly endorsed as to name and opening date. No bids received after said time or at any place other than the place as stated in the Notice and Invitation to Bidders will be considered. For example, bids postmarked before bid opening but received after shall be rejected. Telephone or electronic bids will not be accepted.
3. **BIDDER RESPONSIBILITY:** The District has made every attempt to provide all information needed by bidders for a thorough understanding of project terms, conditions and other requirements. It is expressly understood that it is Bidder's responsibility to examine and evaluate the work required under this Invitation for Bids (IFB) and the terms and conditions under which the work is performed. By submitting a bid, Bidder represents that it has investigated and agrees to all the terms and conditions of the IFB.
4. **BID FORM:** The bid shall be made on the Bid Form provided therefore and shall be enclosed in a sealed envelope marked and addressed as required. If the bid is made by a sole proprietor, it shall be signed with his/her full name and his address shall be given; if it is made by a partnership, it shall be signed with the co-partnership name by a member of the firm, who shall also sign his/her own name, and the name and address of each member shall be given; and if it is made by a corporation, it shall be signed by an officer or other individual who has the full and proper authorization to do so.

When the Bid Form is signed by an agent, other than the officer or officers of a corporation authorized to sign Contracts on its behalf, or is signed by an agent other than a partner of a partnership, or by an agent for an individual, a power of attorney must be submitted with the bid; otherwise, the bid will be rejected as irregular and unauthorized.

Blank spaces in the Bid Form shall be properly filled. The phraseology of the Bid Form must not be changed, and no additions shall be made to the items mentioned therein. Alterations by erasure or interlineation must be explained or noted in the bid over the signature of the Bidder. If the unit price and the total amount named by a Bidder for any item do not agree, the unit price alone will be considered as representing the Bidder's intention.

Submission of alternative bid or bids, except as specifically called for in the IFB, will render it informal and may cause its rejection.

5. **COMPETITIVE BIDDING:** If more than one bid is offered by any individual, firm, partnership, corporation, association, or any combination thereof, under the same or different names, all such bids may be rejected. A party who has quoted prices on materials or work to a Bidder is not thereby disqualified from quoting prices to other Bidders, or from submitting a bid directly for the materials or work if otherwise qualified to do so.

All Bidders are put on notice that any collusive agreement fixing the prices to be bid so as to control or affect the awarding of this Contract is in violation of the District's competitive bidding requirements and may render void any Contract let under such circumstances.

6. **EXPENSES TO BE INCLUDED IN BID PRICE:** Unless otherwise specified in the IFB, the bid price shall include all expenses necessary that go into making the items procured under the IFB complete and ready for immediate use by the District without additional expense. Bid price shall include, without limitation, all costs for labor, services, equipment, materials, supplies, transportation, installation, overhead, packing, cartage, insurance, license, fees, taxes, permits, bonds, inspection, and other expenses necessary to satisfy the provisions of the IFB, expressed and implied.

Unless bidder is specifically instructed to do otherwise in the Specifications section of this IFB, sales taxes shall be included in the bid price in the amount of 8.5 % of the total bid price. Federal Excise Tax, from which the District is exempt, should not be included in the bid price. A Federal Excise Tax Exemption certificate will be furnished to the successful Bidder.

Samples of items, when required, must be furnished free of expense to the District and, if not destroyed by tests may, upon request made at the time the samples are furnished, be returned at Bidder's expense.

7. **WITHDRAWAL OF BID:** Bidder may withdraw the bid before the expiration of the time during which bids may be submitted, without prejudice, by submitting a written request for its withdrawal to the District Secretary/General Manager.
8. **TIME OF DELIVERY:** Time of delivery is part of the bid and must be strictly adhered to by the Bidder. Bidder obligates itself to complete the work within the number of days specified in the Contract.
9. **CANVASS OF BID:** At the hour specified in the Notice of Invitation to Bidders, the District, in open session, will open, examine and publicly declare all bids received and shall announce each bidder's price. The remaining content of the bids shall not be made public until after an award is made by the Board of Directors or District Staff as appropriate. Bidders, their representatives and others interested, are invited to be present at the opening of bids. Award will be made or bids rejected by the District within the time period specified in the Bid, if none is specified, within sixty (60) days after the date of bid opening.
10. **RIGHT TO REJECT BIDS:** The District may reject any and all bids at its discretion, and may reject the bid of any party who has been delinquent or unfaithful in any former contract with the District. The right is reserved to reject any or all bids and to waive technical defects, as the interest of the District may require. The District may reject bids from Bidders who cannot satisfactorily prove the experience and qualifications outlined in the Instructions to Bidders.
11. **SINGLE BID:** If only one bid is received in response to the IFB, Bidder may be required to submit to District within five (5) days of District demand, a detailed cost proposal. The District may conduct a cost or price analysis of the cost proposal to determine if the bid price(s) are fair and reasonable. Bidder shall cooperate with District in compiling and submitting detailed information for the cost and price analysis.
12. **EXPERIENCE AND QUALIFICATIONS:** The Bidder may be required upon request of the District to prove to the District's satisfaction that the Bidder is responsible. Criteria used by the District to determine Bidder responsibility includes, without limitation, whether Bidder and its proposed contractors have the skill, experience, necessary facilities and financial resources to perform the Contract in a satisfactory manner and within the required time. Other criteria include whether the original equipment manufacturer of the items bid (1) has in operation, or has the capability to have in operation, a manufacturing plant adequate to assure delivery of all equipment within the time specified under the Contract and (2) has adequate engineering and service personnel, or has the capability to have such personnel, to satisfy any engineering or service problems that may arise during the warranty period and the useful life of all items bid. To help the District assess Bidder's responsibility and ability to provide continued parts, service, and engineering support for the useful life of all items bid, Bidder may be required to submit, at its own cost, its latest Dunn & Bradstreet report and its latest independently audited financial statements.
13. **APPROVED EQUALS:** In order to establish a basis of quality, certain items or processes may be specified by description or brand name. Unless otherwise specified, it is not the intent of the IFB to exclude other items or processes of equal value, utility or merit.

Bids for equivalent items meeting the standards of quality thereby indicated will be considered provided they are received by no later than fourteen calendar days before the date of bid opening. Any such bid shall include adequate information and samples, including technical data, test results, performance characteristics, life-cycle costs, and other salient characteristics to clearly describe the item or process offered and how it equals or exceeds the characteristics of the referenced brand or process.

Unless the Bidder clearly indicates otherwise in the bid, it is understood that he/she is offering a referenced brand or process as specified herein. The District reserves the right to determine whether a substitute offer is equivalent to, and meets the standards of, quality indicated by the brand name or process referenced.

14. **AWARD OF CONTRACT:** The award of the Contract, if awarded, will be to the responsive, responsible Bidder whose bid complies with the IFB in all respects, and whose ADJUSTED BID PRICE is the lowest of all qualified bids received. The methodology for determining the adjusted bid price is described in the Bid Form (Part I of the IFB). If the lowest responsive, responsible Bidder refuses or fails to execute the Contract, the District may award the Contract to the next lowest responsive, responsible Bidder or solicit new bids.
15. **EXECUTION OF CONTRACT:** The Contract shall be provided by the District in substantially the same form as provided in Part VI and shall be executed by the successful Bidder and returned to the District Purchasing Office (110 Vernon Street, Suite B, Santa Cruz, CA 95060) no later than ten (10) calendar days after the date of receipt of the Notice of Award. Successful Bidder shall submit the required insurance certificate(s) no later than ten (10) days after receipt of Notice of Award. Successful Bidder's execution and delivery of the insurance certificate(s) specified in the IFB is a condition precedent to the finalization of the Contract. In no event shall the successful Bidder commence work until it has received the signed Contract and notification from the District that the required insurance certificate(s) have been approved.
16. **ERRORS AND ADDENDA:** If omissions, discrepancies, or apparent errors are found in the IFB prior to the date of bid opening, the Bidder shall request a clarification from the District which, if substantiated, will be given in the form of addenda to all Bidders.
17. **NON-DISCRIMINATION:** The Santa Cruz Metropolitan Transit District will not discriminate with regard to race, color, ancestry, national origin, religion, sex, sexual orientation, marital status, age, medical condition or disability in the consideration for an award.
18. **DISADVANTAGED AND 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 Bidder 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.
19. **INQUIRIES AND CORRESPONDENCE DURING BIDDING PERIOD:** Questions pertaining to the Specifications and the Bid Documents during the bidding period shall be directed to the Purchasing Agent at (831) 426-0199.

PART III

SPECIFICATIONS FOR ITEM

1. General Description

The specifications described below set forth the minimum requirements for the quantity and quality of work to be provided hereunder. The Printing of Headways shall meet or exceed the specifications attached hereto. As used herein, the term "work" refers to the articles, equipment, materials, supplies and labor as specified, designated or otherwise required by the Invitation for Bids (IFB). Additional terms, conditions and requirements pertaining to the methods and manner of performing the work are described elsewhere in the IFB.

2. Specifications

- 2.1 The Santa Cruz Metropolitan Transit District requires the printing of "Headways" (Santa Cruz Metropolitan Transit District's Bus Schedule). "Headways" is a bus schedule and transportation information publication, printed in English only, which the District makes available to the public free of charge. A sample Headways is attached to this IFB.
- 2.2 The District will require "Headways" to be printed up to four times per year, 40,000 schedules per production run. The District reserves the right to select any of the options specified on a run-by-run basis. The District reserves the right to negotiate with successful bidder any specification changes that may occur.
- 2.3 Quotations are requested on a "per production run" basis, for a contract life of one year unless otherwise specified.
- 2.4 Printer is required to retain the plates between printings, in case the necessity arises in which a reprint must be done. Printer must provide a cost for an additional printing of 6,000 copies of "Headways" on the Bid Form.
- 2.5 Detailed specifications for the work requested is as follows:
 - 2.5.1 Quantity: 40,000 (English only)/production run, up to four times a year.
 - 2.5.2 Number of Finished Pages: 72 (Option Pricing for additional 8 pages).
 - 2.5.3 Image Size: 8" x 10.5".
 - 2.5.4 Binding: Stitched and trimmed, flexi-booklet.
 - 2.5.5 Paper Size: 35" web.
 - 2.5.6 Paper (Cover and Test Pages): 30# Recycled Newsprint.
 - 2.5.7 Ink: Black soy-based. (Option Pricing Plus one color –red) All screens are 100 lines per inch.
 - 2.5.8 Art: All text and art will be provided in a PDF file. Artwork can be provided either as 1-up camera-ready artwork, or on disk in PageMaker 6.5/Macintosh format. Specify which method your quote is based on. Content is designed in Adobe CS3 (Windows XP) and provided as a camera-ready, 72 page Adobe PDF file delivered via ftp.
 - 2.5.9 Bundling: Web tie in bundles of 50, turn at 25.
 - 2.5.10 Palletized: Headways must be palletized on a standard size pallet, four way access, in good condition. Headways are to be shrunk-wrapped with cardboard slip-sheet on top, and strapped with a skid or pallet on top of Headways. (This will allow Headways to be double stacked in District's warehouse.) Headways stacked on each pallet shall not exceed four feet in height.

3. Price Quotation.

Price shall be on the Bid Form to comply with the following requirements:

3.1 Run of 40,000, (up to 4 production runs/year) 30# recycled newsprint and black soy-based ink with grey-screen, 72 pages (BASE BID).

3.2 Cost for **additional 8 pages** (OPTION).

3.3 Cost for **additional 6,000 copies** (OPTION).

3.4 Run of 40,000, (up to 4 production runs/year) 30# recycled newsprint and black soy-based ink **plus one color (red)** with grey-screen, 72 pages (OPTION).

3.5 The term of this Contract commences on the date of execution and shall remain in force for a one (1) year period thereafter. At the option of the District, this contract may be renewed for four (4) additional one (1) year terms under the same conditions with any cost increases not to exceed the annual percentage change of the Consumer Price Index for the San Francisco –Oakland – San Jose Area. District and Contractor may extend the term of this Contract at any time for any reason upon mutual written consent.

4. Qualifications of Bidder.

No bidder shall be considered qualified for award of the contract unless he/she meets or exceeds all terms, conditions, and requirements of the Invitation for Bids at the time of bid opening. Samples of bidders work similar to the type of printing requested here shall be submitted with the bid for District review.

5. Delivery.

The District requires no more than a five (5) working-day production turnaround from the time Contractor receives final acceptance of proof by District until “Headways” is delivered. Vendor must notify District Facilities Maintenance personnel 24 hours prior to delivery at (831) 469-1960. All prices offered must include freight charges to District delivery site.

6. Delivery Location and Requirements.

Santa Cruz Metropolitan Transit District
110 Vernon Street
Santa Cruz CA 95060

Delivery trucks must be equipped with a lift gate and have a pallet jack on board to expedite off-loading of Headways.

PART IV

GENERAL CONDITIONS TO THE CONTRACT

I. 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.

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.

3.2 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.
 - (b) Full Personal Injury coverage.
 - (c) Broad form Property Damage coverage.
 - (d) A cross-liability clause in favor of the District.

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.

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.

11. 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.

11.2 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 comply with Federal Transit Administration's (FTA) drug and alcohol testing regulations, 49 CFR Parts 653 and 654. 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

Time is of the essence in this Contract.

PART V

SPECIAL CONDITIONS OF THE CONTRACT

1. BASIC SCOPE OF WORK

1.01 Basic Scope of Work

Contractor shall, without limitation, furnish and deliver equipment in accordance with the "Specifications" section of the Invitation for Bids, dated October 26, 2007.

2. DEFINITIONS

2.01 General

The terms (or pronouns in place of them) have the following meaning in the Contract.

2.01.01 ACCEPTANCE DATE - The date on which delivery is deemed to be complete in accordance with the provisions of the Contract and accepted in writing by the District.

2.01.02 CONTRACT - The Contract consists of this document, the attachments incorporated herein in accordance with Article 2 of Part VI - "Contract for ITEM," and any written amendments made in accordance with Article 13.14 of Part IV - "General Conditions of the Contract".

2.01.03 CONTRACTOR - Synonymous with Bidder.

2.01.04 DAYS - Calendar Days

2.01.05 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.

2.01.06 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.

3. BUY AMERICA CERTIFICATE

Contractor shall comply with the requirements of Section 165(a) of the Surface Transportation Assistance Act of 1982 and the applicable regulations in 49 Code of Federal Register Part 661. As evidence of Contractor's knowledge and understanding and certification of intention of compliance, Contractor has executed a Buy America Certificate, which is included as part of the "Bid Form" and incorporated herein by reference. If steel and manufactured products are needed by Contractor for its performance under the provisions of the Contract, Contractor shall only use steel and manufactured products that were produced in the United States.

4. LIQUIDATED DAMAGES

If the work is not completed within the time required, damage will be sustained by the District. It is, and will be impracticable and extremely difficult to ascertain and determine the actual damage which the District will sustain by reason of such delay; and it is therefore agreed that the Contractor shall pay to the District fifty dollars (\$50.00) for each and every day's delay in finishing the Work beyond the time prescribed. If the Contractor fails to pay such liquidated damages, the District may deduct the amount thereof from any money due or that may become due the Contractor under the Contract.

The Work shall be regarded as completed upon the date the District has accepted the same in writing.

5. STATE CONTRACT PROVISIONS

- 5.01 In the performance of work under these provisions, Contractor and its subcontractors will not discriminate against any employee or applicant for employment because of race, religious creed, medical condition, color, marital status, ancestry, sex, age, national origin, or physical handicap (Government Code Section 12940 et seq.). Contractor and all its subcontractors will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, religious creed, medical condition, color, marital status, ancestry, sex, age, national origin, or physical handicap. such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Contractor and its subcontractors shall post in conspicuous places, available to employees and applicants for employment, notice to be provided by STATE setting for the provisions of this section.
- 5.02 Contractor and its subcontractors will permit access to all records of employment, employment advertisements, application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by STATE, for the purpose of investigation to ascertain compliance with Section 1 of this Article.
- 5.03 Contractor shall establish and maintain an accounting system and records that properly accumulate and segregate incurred costs by line item for the project. Contractor's accounting system shall conform to generally accepted accounting principles (GAAP), enable to determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices. All accounting records and other supporting papers of Contractor connected with performance under this Agreement shall be maintained for a minimum of three years from the date of final payment to District under these provisions and shall be held open to inspection and audit by representatives of STATE and the Auditor General of the State and copies thereof will be furnished upon request.
- 5.04 Contractor agrees that contract cost principles at least as restrictive as 48 CFR, Federal Acquisition Regulation System, Chapter 1 Part 31, shall be used to determine the allowability of individual items of costs. Contractor also agrees to comply with Federal procedures as set forth in 49 CFR, Part 18, Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments.
- 5.05 For the purpose of determining compliance with Public Contract Code Section 10115, et seq., Military and Veterans Code Sections 999 et seq. and Title 2, California Code of Regulations, Section 1896.60 et seq., when applicable, and other matters connected with the performance of District's contracts with third parties pursuant to Government code Section 10532, Contractors and subcontractors shall maintain all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including but not limited to, the costs of administering the various contracts. Contractor and its subcontractors shall make such materials available at their respective offices at all reasonable times during the contract period and for three years from the date of final payment under such contract. STATE, the State Auditor General, the Federal Highway Administration, or any duly authorized representative of the Federal Government shall have access to any books, records and documents that are pertinent to the Agreement for audits, examinations, excerpts, and transactions and copies thereof shall be furnished if requested.

6. LABOR HARMONY REQUIREMENT

The construction manager/general and sub-contractor(s) at all tiers must be able to furnish labor that can work in harmony with all other elements employed or to be employed in conjunction with the construction work on the site. Without limiting the generality of the foregoing, 'labor harmony' shall include a provision of labor that will not cause, cause to be threatened, engage in, or give rise to, either directly or indirectly, any work disruption, slowdowns

or stoppages, or any violence or harm to any persons or property while performing any work or activities affecting the project in any way, including but not limited to: (1) traveling to and from the work site; (2) loading, transporting and off-loading of equipment and materials on the construction site; (3) delivery, receipt and unloading of material or equipment, or the provision or receipt of any construction-related services at any designated storage area, or the work site; (4) the performing of the work of the contract at the work site; and on non-working time associated with the above while employees are on site (e.g. lunch hours, breaks, queuing for transportation, etc.).

If a contractor causes any work disruption, slowdowns or work stoppages as a result of its inability to ensure labor harmony, that contractor shall pay to District the sum of \$100 per day as liquated damages while such work disruption, slowdown or work stoppage is underway. As an independent and further remedy, District reserves the right to order the offending contractor to cease work on the project until such time as the work disruption, slowdown or stoppage is resolved and, if the work disruption, slowdown or stoppage is not resolved in District's opinion, within a reasonable period of time, District reserves the right to withdraw the contract from the contractor and to put such contract or remainder of such contract out for re-bid.

If District claims that this provision has been violated, the contractor(s) must agree to submit the issue to emergency arbitration for final and binding resolution. The permanent arbitrator over such disputes shall be the Honorable Nat Agliano, retired or, if he is unavailable, the Honorable Richard Silver, retired. If they decline to serve and the parties are unable to agree on an acceptable alternative, the arbitrator will be selected by petition to the Superior Court for the County of Santa Cruz. The Arbitrator's authority shall be limited to a determination of whether the Labor Harmony requirement has been violated and, if so, what shall be the remedy.

PART VI

CONTRACT FOR PRINTING OF HEADWAYS (08-12)

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 Printing of HEADWAYS

District requires the printing of HEADWAYS to be used for standard purposes. In order to obtain said printing of HEADWAYS the District issued an Invitation for Bids, dated October 26, 2007 setting forth specifications for such printing of HEADWAYS. The Invitation for Bids is attached hereto and incorporated herein by reference as Exhibit A.

1.03 Contractor's Bid Form

Contractor is a printing company whose principal place of business is _____. Pursuant to the Invitation for Bids by the District, Contractor submitted a bid for Provision of said printing of HEADWAYS 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 lowest responsive, responsible bidder to provide said printing of HEADWAYS. The purpose of this Contract is to set forth the provisions of this procurement.

1.05 Contractor and Supplier Synonymous

For the purposes of this Contract, the terms "contractor" and "supplier" are synonymous.

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 of the General Conditions of the Contract.

- a) Exhibit A

Santa Cruz Metropolitan Transit District's "Invitation for Bids" dated October 26, 2007.

b) Exhibit B (Bid Form)

Contractor's Bid Form to the District for Item, signed by Contractor and dated November 27, 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 supersede Exhibit B.

2.03 Recitals

The Recitals set forth in Article 1 are part of this Contract.

3. TIME OF PERFORMANCE

3.01 General

Contractor shall perform work under this Contract at such times to enable it to meet the time schedules specified in the Specifications Section of the IFB. The Contractor shall not be responsible for delays caused by force majeure events described in Section 2 of the General Conditions of the Contract.

3.02 Term

The term of this Contract commences on the date of execution and shall remain in force for a one (1) year period thereafter. At the option of the District, this contract may be renewed for four (4) additional one (1) year terms under the same conditions with any cost increases not to exceed the annual percentage change of the Consumer Price Index for the San Francisco –Oakland – San Jose Area. District and Contractor may extend the term of this Contract at any time for any reason upon mutual written consent.

4. COMPENSATION

4.01 Terms of Payment

Upon written acceptance, District agrees to pay Contractor _____ as identified in the Bid Form, Exhibit B, not to exceed \$_____, for satisfactory completion of all work under the terms and provisions of this Contract within thirty (30) days thereof. Contractor understands and agrees that if he/she exceeds the \$_____ maximum amount payable under this contract, that it does so at its own risk.

4.02 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 services. No expenses shall be paid by the District unless specifically allowed by this contract.

5. 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

Attention: _____

6. 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 it. 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 VII

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, nor any officer or controlling interest holder of Contractor, 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 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 bid. A bid 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 VIII

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT PROTEST PROCEDURE

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 Invitation for Bid (IFB) package must be filed within ten (10) calendar days after the date the IFB is first advertised. Protests relating to a recommendation for award solicited by this IFB 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 bidders. 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 Bid Protest(s) and Appeal(s). Bid includes the term "offer" or "proposal" as used in the context of negotiated procurements.

The Bidder may withdraw its protest or appeal at any time before the DISTRICT issues a final decision.

Should the DISTRICT postpone the date of bid 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 bid 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.

A Bidder 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

EXHIBIT - B

PART I

BID FORM

The undersigned ("Bidder"), upon acceptance by the District, agrees to furnish all labor, freight, transportation, materials, equipment, services, supplies and other work in accordance with the Invitation for Bids entitled Item dated October 26, 2007 at the following prices. The unit bid prices should NOT INCLUDE SALES, USE, EXCISE OR ANY OTHER TAX, they are to be shown in the second column if applicable

Item No.	Item Description	Quantity	Unit Price (\$/M)	Tax (8.5 %)	Extended Price
1	BASE BID: Run of 40,000, quote price for 30# recycled newsprint and black soy-based ink with grey-screen, 72 pages	Up to 4 production runs/year	\$172. ⁴⁷	\$586. ⁴⁰	\$7,485. ²⁰
2	OPTION PRICING: Run of 40,000, quote price for 30# recycled newsprint and black soy-based ink with grey-screen, 80 pages (Cost for an additional 8 pages)	Up to 4 production runs/year	\$185. ¹⁶	\$629. ⁵⁵	\$8,035. ⁹⁵
3	OPTION PRICING: Cost for an Additional 6,000 copies placed after delivery of 40,000 run of 30# recycled newsprint and black soy-based ink with grey-screen, 72 pages	6 M	\$328. ⁹⁶	\$167. ⁷⁷	\$2,141. ⁵³
4	OPTION PRICING: Run of 40,000, quote price for 30# recycled newsprint and black soy-based ink plus one color (red) with grey-screen, 72 pages	Up to 4 production runs/year	\$197. ⁴⁷	\$671. ⁴⁰	\$8,570. ²⁰
5	Total				\$26,232. ⁸⁸

The successful bidder obligates him/herself to provide any or all of the bid items at the bid price. District reserves the right to award bid items separately or as a package. District may accept or reject the bid items at its discretion. Award of the bid will be based on totals provided for the Base Bid Items, Option Pricing shall not be used in the determination of low bid. The Board of Directors also reserves the right to reject all bids for any reason.

Bidder has examined and is fully familiar with all terms and conditions of the Invitation for Bids and any addenda issued by the District thereto, and Bidder unconditionally submits this bid in strict accordance with said Invitation for Bids. Bidder has carefully checked all words and figures shown on this Bid Form and has carefully reviewed the accuracy of all documents, representations, manufacturer's literature, and statements submitted with this bid.

Bidder understands that this bid constitutes a firm offer to the District that cannot be withdrawn for ninety (90) calendar days from the date of bid opening. If awarded the contract, bidder agrees to deliver to the District executed copies of the final contract and required insurance certificates within ten (10) calendar days of the date of the District Notice of Award. Said Notice of Award shall be deemed duly given to Bidder upon delivery if delivered by hand, or three (3) calendar days after posting if sent by mail to Bidder's address.

Bidder understands that no partial, conditional or qualified bids shall be accepted for any bid item. Bidder further understands the right of the District Board of Directors to accept or reject any or all bids received for any reason. The District reserves the right to waive minor irregularities.

Bidder has included manufacturers' brochures describing the equipment bid under this IFB. Any proposed deviation from any item in the IFB specifications has been delineated on said brochures or on a separate attachment included with the bid. Bidder represents that the equipment and other work bid meets the specifications in all respects unless clearly noted to the contrary in the bid submittal.

The contract, if awarded, will be to the lowest responsive, responsible bidder. Bidder understands that the "lowest responsible bidder" is the lowest bidder whose offer best responds in quality, fitness and capacity to the requirements of the Invitation for Bids. The District reserves the right to award to other than the lowest bidder if the District finds that the lowest bidder is not responsible.

Bidder acknowledges receipt of the following addenda to the Invitation for Bids. All cost adjustments or other requirements resulting from said addenda have been taken into consideration by the bidder and included in the bid.

Addenda No.'s _____

Bidder has submitted the following documents with the bid:

1. Exceptions, if any, taken to the specifications or other sections of the IFB (Warning: Substantive exceptions will be cause for bid rejection.)
2. Copy of any standard warranties in accordance with the Specifications.
3. Manufacturer's specifications, description, promotional material describing the item bid.
4. Fully executed copy of the "Lobbying Certification" listed as Page I-4 of the Bid, if applicable
5. Fully executed copy of the "Buy America Provision Certification" listed as Page I-5 of the Bid, if applicable

Bidder understands that bids shall be placed in a sealed envelope marked as indicated below and delivered to the Purchasing Office of the Santa Cruz Metropolitan Transit District, 110 Vernon Street, Suite B, Santa Cruz, California, 95060 prior to the time of bid opening. Bids postmarked before bid opening but delivered afterward shall be rejected.

IFB No. 08-12
"Printing of HEADWAYS"
Bid Opening 2:00 p.m., November 27, 2007

Bidder has full power and authority to enter into and perform the work described in the Invitation for Bids on behalf of the company noted below.

FRICKE - PARKS PRESS
Company Name

Indicate:

Sole Proprietorship

Partnership

Corporation

Joint Venture with

33250 TRANSIT AVE.
Street Address

UNION CITY, CALIFORNIA 94587
City, State, Zip Code

[Signature]
Signature of authorized company official

ROBERT C. PARKS CHAIRMAN
Typewritten name of above and title

CARLOS ARMENTA SALES MANAGER CARLOSA@FRICKE-PARKS.COM
Name, title, and email address of person to whom correspondence should be directed

510-489-6543
Telephone Number

510-489-7124
FAX Number

11-26-07
Date

94-2175544
Federal Tax ID No.

The Santa Cruz Metropolitan Transit District is a special purpose District and is a subdivision of the State of California.

Listing of major subcontractors proposed (if applicable), their phone numbers, and areas of responsibility (indicate which firms are DBE's):

N/A

**CERTIFICATION OF PROPOSED CONTRACTOR REGARDING DEBARMENT,
SUSPENSION AND OTHER INELIGIBILITY AND VOLUNTARY EXCLUSION**

(Contractor) FRICKE-PARKS PRESS 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;

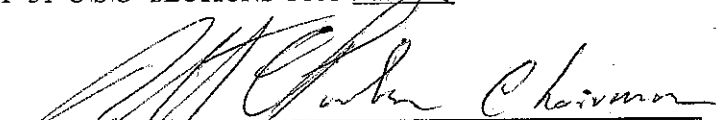
Have not within a three year period preceding this bid been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (Federal, State, or local) transaction or contract under a public 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) FRICKE-PARKS PRESS 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--ILL, "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 FRICKE - PARKS PRESS
Signature of Authorized Official [Signature]
Name and Title of Authorized Official ROBERT C. PARKS CHAIRMAN
Date 11-26-07

**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 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: _____
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: _____

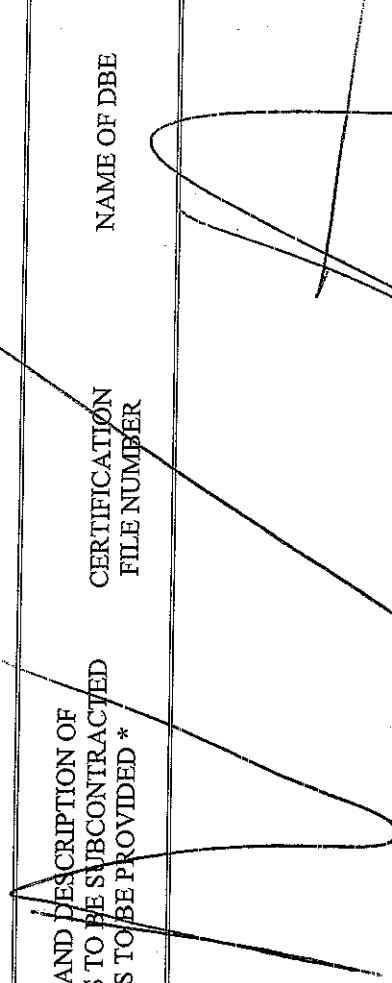
BIDDER DBE INFORMATION

BIDDER'S NAME _____
 DBE GOAL FROM CONTRACT _____ %
 FED. NO. _____
 COUNTY _____
 AGENCY _____
 CONTRACT NO. _____

BIDDER'S ADDRESS _____

BID AMOUNT \$ _____
 BID 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 bid or proposal non-responsive.

CONTRACT ITEM NO.	ITEM OF WORK AND DESCRIPTION OF WORK OR SERVICES TO BE SUBCONTRACTED OR MATERIALS TO BE PROVIDED *	NAME OF DBE	DOLLAR AMOUNT DBE ***	PERCENT DBE
1				
TOTAL CLAIMED DBE PARTICIPATION			\$ _____	_____ %

SIGNATURE OF BIDDER _____
 DATE _____
 AREA CODE/TELEPHONE _____

* 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 bids 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.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 21, 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 November 1, 2007 Regular SCCRTC Meeting
Attachment B: Minutes of the November 15, 2007 Transportation Policy Workshop

5-15.1

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

MINUTES

**Thursday
November 1, 2007
9:00 a.m.**

**Watsonville City Council Chambers
215 Union Street
Watsonville, CA**

1. Roll Call:
- | | |
|-------------------|------------------------|
| Marcela Tavantzis | Randy Johnson |
| Pat Spence | Kirby Nicol |
| Tony Campos | Jan Beautz |
| Mark Stone | Ellen Pirie |
| Emily Reilly | David Koch-Alternate |
| Rich Krumholz | Donald Hagen-Alternate |
| Neil Coonerty | |
- Staff:
- | | |
|-----------------|----------------|
| George Dondero | Luis Mendez |
| Yesenia Parra | Kim Shultz |
| Grace Blakeslee | Karena Pushnik |

2. Oral Communications

Mr. David Eselius, Santa Cruz resident expressed his concern with the traffic congestion on the 41st Ave- Hwy 1 overpass. He also discussed his concern with the process being used to address the issue. Commissioner Kirby Nicol responded that the issue is being addressed and that the project includes a third right hand turn lane. Commissioner Nicol also stated that the necessary paper work has been submitted by the City of Capitola to Caltrans and the project will be moving forward soon.

Mr. Eselius also discussed his concern with the San Lorenzo River Bridge. Executive Director Dondero responded that the project is on the list for funding.

3. Additions or Deletions to Consent and Regular Agendas

Executive Director George Dondero noted additional handouts: a replacement page for page 26-7 of the agenda and a letter from the Service Employees International Union (SEIU) and the Community of RTC Employees (CORE) staff members.

CONSENT AGENDA

Approved Unanimously (Pirie, Nicol)

4. Approved Minutes of the October 4, 2007 Regular SCCRTC Meeting

POLICY

No Items

PROJECTS and PLANNING

5. Accepted FY 07-08 First Quarter SCCRTC Work Program Report
6. Approved Letter of Support for Trade Corridor Bond Funding for the US 101/San Juan Road interchange
7. Approved Submitting a Grant Application for Agricultural Worker Transportation Program Funds on behalf of Community Bridges
8. Accepted Information on the Survey of Likely Voters Regarding Transportation Projects and Funding

COMMISSION BUDGET AND EXPENDITURES

9. Accepted Quarterly Status Report on Transportation Development Act (TDA) Revenues

ADMINISTRATION

10. Approved Entering into Agreements with Caltrans and Community Bridges for Receipt of Grant Funds and Implementation of the Mobility OutReach and Education Project (Resolution)

COMMITTEE MINUTES

11. Accepted Draft Minutes of the September 19, 2007 Joint Meeting of the Safe on 17 Task Force and the Traffic Operations System Committee
12. Accepted Draft Minutes of the October 9, 2007 Elderly and Disabled Transportation Advisory Committee Meeting

13. Accepted Draft Minutes of the October 11, 2007 Budget and Administration/ Personnel Committee Meeting

INFORMATION/OTHER

14. Accepted Monthly Meeting Schedule
15. Accepted Correspondence Log
16. Accepted Letters from SCCRTC Committees and Staff to Other Agencies - None
17. Accepted Miscellaneous Written Comments from the Public on SCCRTC Projects and Transportation Issues
18. Accepted Information Items
 - a. Letter from the City of Santa Cruz to Caltrans Regarding Route 1/Mission Street Bike and Pedestrian Safety
 - b. Human Services Agency Announcement Regarding Receipt of Office of Traffic Safety and Safe Routes to School Grants and Staffing Changes

SERVING AS THE SERVICE AUTHORITY FOR FREEWAY EMERGENCIES (SAFE)

No Consent Items

Commissioner Reilly arrived at 9:09 am.

REGULAR AGENDA

19. Commissioner Reports – None
20. Director's Report

Executive Director George Dondero reported that the Spanish guide for Specialized Transportation is complete and available for distribution. He also reported that Senior Planner Karena Pushnik and he attended the Focus on the Future Conference in San Francisco. He reported that because there are no pressing new ballot measures the conference was very low key this year. He shared that Senator Steinberg was the guest speaker and discussed SB 375. The bill is part of a proposed blue printing plan and may have some regulations that try to tie land-use and transportation planning. He stated that the bill was not well accepted by conference participants. Staff will continue to monitor SB 375 and report on any movement.

Mr. Dondero also reported on the October 29 Transportation Funding Task Force

5-15.a3

(TFTF) meeting. He summarized that passing a measure in Santa Cruz is possible although not easy. He stated that the polling results will be discussed at the November 15 Transportation Policy Workshop (TPW) meeting. He also reported that the final TFTF meeting will take place on November 14.

Commissioner Spence asked that staff provide the number of registered voters by district.

21. CalTrans Report

Rich Krumholz, Caltrans District 5, reported on the status of current projects. Mr. Krumholz stated that for the Highway 1/17 Merge Lanes project Caltrans is concentrating on erosion control and completing as much of the bridge work as possible to prepare for the rainy season. He also discussed the Highway 1 south bound lane reconfiguration and reminded everyone to drive cautiously through the construction zone.

Mr. Krumholz also responded to Mr. Eslius' concern regarding the 41st Avenue overpass and stated that Caltrans has requested additional information from the City of Capitola but that he has no doubt that the project will be approved.

Commissioner Marcela Tavantzis asked for an update on re-vegetation along Highway 1 medians. Mr. Krumholz responded that planting and maintenance along the median presents many challenges including safety concerns for employees. Commissioner Tavantzis recommended that Caltrans look at other options to address the aesthetic concerns. Commissioners suggested that instead of planting vegetation that an alternative option might be to extend the black top. Mr. Krumholz will research alternatives and report back regarding this issue.

22. Transportation Projects in the City of Watsonville-Oral Report by Patrice Theriot, Principal Engineer, City of Watsonville

Patrice Theriot, Principal Engineer, City of Watsonville gave a PowerPoint presentation on transportation projects in Watsonville. Completed projects include improvements to Green Valley Road, some wetlands restoration with bicycle and pedestrian trails along the Watsonville Slough. Ms. Theriot also reviewed projects that are currently under construction that include: the Struve Slough project with a completion date of Spring 2008. Other projects also include the Harkins Slough Bridge, Walker Street renovations and Freedom Blvd rehabilitation.

Commissioner Alternate Don Hagen expressed his appreciation for access to the wetland areas for persons on scooters.

5-15.24

23. Designation of Nominating Committee for 2008 SCCRTC Chair and Vice-Chair

Chairman Campos appointed Commissioners: Beautz, Pirie, Rivas and Bustichi to serve on the RTC Chair and Vice-Chair Nominating Committee with Commissioner Beautz serving as chair of the committee. The appointments were approved unanimously (Pirie/Reilly).

24. Highway 1 HOV Lanes Project - Amendment of the Cooperative Agreement with Caltrans and Authorization for Value Analysis Study

Senior Planner Kim Shultz presented the staff report. He gave a brief summary of the need for a Value Analysis study for the Highway 1 HOV lanes project and the need for the Executive Director to sign an amended Cooperative Agreement with Caltrans.

Commissioner Coonerty asked for clarification of the charge to the Highway Construction Authority (HCA) as well as the membership list. Mr. Shultz explained that at the inception of the proposal for a tax measure to fund the Highway 1 project it was recommended that a Joint Powers Authority be established to oversee the development and construction of the Highway 1 HOV Lanes project. The HCA includes all jurisdictions bordering the project with the exception of the City of Santa Cruz, which at the time made the choice not to participate until the tax measure was passed. Commissioners stated that the City of Santa Cruz could join the group at any time. Mr. Shultz agreed to provide Commissioner Coonerty with the HCA membership list.

The staff recommendations were approved unanimously (Pirie, Beautz) as follows:

- a. Adopt a resolution authorizing the Executive Director to sign Amendment No. 1 to the Cooperative Agreement with Caltrans for the current project Approval/Environmental Documentation (PA/ED) phase of the Highway 1 HOV Lane Project; and
- b. Authorize the Executive Director to use the Caltrans list of pre-qualified Value Analysis consultants to interview potential consultants to conduct a Value Analysis study for the Highway 1 HOV Lanes project and recommend a preferred consultant to the Regional Transportation Commission (RTC).

5-15.05

24.1 Highway 1 Soquel Avenue to Morrissey Boulevard Auxiliary Lanes Project – Contract Amendment for Aerial Mapping to Advance Project Design

Senior Planner Kim Shultz presented the staff report and the staff recommendation was approved unanimously (Pirie, Tavantzis) as follows:

- a. Approve a Resolution to Authorize the Executive Director to amend the Highway 1 Soquel/Morrissey Auxiliary Lanes Project contract with Nolte and Associates, Inc., to authorize a new aerial mapping task to advance the project design and update the Scope of Services, Schedule of Fees, and Cost Proposal Worksheets, within the existing contract budget.

25. 2008 Regional Transportation Improvement Program Process

Executive Director George Dondero introduced the item stating that Commissioner requested that staff begin the Regional Transportation Improvement Program (RTIP) process with input by the commission before going to the Interagency Technical Advisory Committee (ITAC). Executive Director Dondero expressed concern over the long list of projects and the insufficient funding. The issue of insufficient funding has been discussed several times at the Interagency Technical Advisory Committee meetings. He also commented that staff is aware that some regional projects are very costly and are on the same list with local projects.

Grace Blakeslee, RTC Planner presented the staff report highlighting information on the \$5.4 million in projected new State Transportation Improvement Program (STIP) funds and reviewed the proposed criteria to be used to select and program new funds. Ms. Blakeslee also stated that the California Transportation Commission (CTC) reviews the projects nominated through the RTIPs and Interregional Transportation Improvement Program (ITIP) from throughout the state and ensures that the projects selected for inclusion in the State Transportation Improvement Program (STIP) match available revenues.

Commissioners questioned if the regular process was really necessary given that the funding would not be enough to cover projects already on the list, let alone new projects. Commissioners also discussed their concern with the criteria list that is used to determine funding for these projects. Commissioner Johnson stated that people like to see local projects get done because this gives them some assurance that their tax dollars are being used to address local concerns. He also stated that regional projects should be a shared responsibility.

Commissioners also discussed the alternative to reviewing a long list of projects that would include the distribution of funds by formula. Staff responded that this format has been used in the past and did not work well for all jurisdictions.

5-15.a6

Staff clarified that the draft list of projects with more details will be brought to the Commission in January and the final with staff recommendations will be presented at the February Commission meeting.

The staff recommendations were approved unanimously (Pirie, Nicol) as follows:

1. Issue a call for projects for \$5.4 million in projected new State Transportation Improvement Program (STIP) funds;
 2. Accepted information about regional and local transportation funding needs;
 3. Identify regional projects that should be evaluated for the 2008 RTIP;
 4. Indicated its intent to program up to \$1.48 million of those funds to projects in the Corralitos area that mitigate impacts created by the permanent closure of Amesti Road; and,
 5. Establish criteria to evaluate candidate projects
26. FY 07-08 Budget and Work Program Amendment

Deputy Director Luis Mendez presented the staff report stating that each year the Commission amends its Budget and Work Program in the fall to incorporate updated revenues and costs, and carryovers from the previous year. Mr. Mendez noted that the Transportation Development Act (TDA) funds estimate was lowered by \$114,000 and sufficient surplus funds from FY 06-07 are available to cover the reduced estimate.

The Commission unanimously approved the Budget and Administration/Personnel Committee and staff recommendations (Pirie, Stone) to adopt the attached resolution:

- a. Approving the proposed amendments to the FY07-08 Budget (Attachment 2) and Work Program (Attachment 3); and
 - b. Approving payment of the corresponding FY 07-08 additional and carryover allocations of Transportation Development Act (TDA) funds for the Santa Cruz Metropolitan Transit District (SCMTD), Community Bridges, and the Volunteer Center upon receipt of the corresponding claim from each entity.
 - c. Approving payment of State Transit Assistance (STA) funds to the SCMTD consistent with the approved FY 07-08 budget upon receipt of the corresponding amended claim.
27. Draft 2008 Federal and State Legislative Agenda and 2007 Legislative Session Update

Executive Director George Dondero presented the staff report. Commissioners discussed the items on the proposed 2008 State and Federal Legislative

agendas and asked that staff closely monitor SB 698, Eminent Domain and SB 375 Blueprint Plans. Commissioner Beutz recommended that the Commission continue discussions on these bills rather than just monitoring them.

The Commission approved the 2008 preliminary draft State and Federal Legislative agendas unanimously (Pirie, Beutz).

28. Review of Items to be Discussed in Closed Session - None
29. Oral and Written Communications Regarding Closed Session – None

CLOSED SESSION- No Closed Sessions

30. 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
31. 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
32. Report on Closed Session

OPEN SESSION

33. Next Meetings/Adjournment

The next Transportation Policy Workshop is scheduled for Thursday, November 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, December 6, 2007 at 9:00 a.m. at the Board of Supervisors Chambers, 701 Ocean Street, 5th Floor, Santa Cruz, CA

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Respectfully submitted,

Yesenia Parra, Staff

Attendees

<u>Name</u>	<u>Representing</u>
Les White	Santa Cruz METRO
David Eselius	
Catherine Patterson Valdez	Community Bridges/Lift Line
Sandra Coley	PVTMA
Cliff Walter	Sierra Railroad

5-15.a9

**Santa Cruz County Regional Transportation Commission (SCCRTC)
Transportation Policy Workshop**

MINUTES

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

Members Present: Dene Bustichi Donna Ziel (Alt)
Tony Campos Emily Reilly
Randy Johnson Pat Spence
Kirby Nicol Neal Coonerty
Ellen Pirie Jan Beautz
Antonio Rivas Aileen Loe (Alt)
Marcela Tavantzis

Staff Present: Grace Blakeslee Karena Pushnik
Luis Mendez Tegan Speiser
Kim Shultz Yesenia Parra
Cory Caletti Daniel Nikuna
Rachel Moriconi Doreen Prieto

Call to Order at: 9:08

1. Introductions - Self Introductions were made
2. Oral Communications -There were none
3. Additions/Deletions to the Agenda:

Deputy Director Luis Mendez said that there would be no closed sessions but that a report on the rail acquisition project will be presented at next Commission meeting on December 6 during closed session.

Consent Agenda

No Consent Items

Regular Agenda

4. Transportation Funding Task Force – Survey of Likely Votes Regarding Transportation Projects and Funding - Oral Presentation by Consultant, Ruth Bernstein.

5-15.61

Commissioner Beautz arrived at 9:10 am

Commissioner Randy Johnson introduced Mr. Fred Keeley as the convener for the Transportation Funding Task Force (TFTF). Mr. Keeley gave a brief overview of the charge that was given to the TFTF two years ago following the defeat of Measure J in November 2004. He stated that the Commission adopted a resolution with three specific goals: to establish a broad-based membership reflective of the community; that any recommendations come to the Commission with a 2/3 majority vote; and that the duration of the Task Force would be short-term.

Mr. Keeley reported that on November 14, 2007, the TFTF adopted a Transportation Funding Plan with a vote of 72% - 28%. The plan proposes a one-half cent sales tax measure on the November 2008 ballot for 35 years to fund a package of \$600 million for the following categories:

- Congestion Relief Projects - \$300 million for Highway 1 improvements that would add High Occupancy Vehicle (HOV) lanes, and Transportation Demand Management programs that increase van and car pooling
- Future Connection Projects - \$35 million for the Watsonville/Pajaro Train Station, Santa Cruz Branch Rail right-of-way renovations to continue freight service and keep trucks off roads and highways and seed money for passenger train service connecting Santa Cruz to Amtrak and Caltrain at the Watsonville/Pajaro Train Station
- Access Option Projects - \$130 million for maintenance and expansion of bus transit (including Bus Rapid Transit in the HOV lane of Highway 1) and specialized transportation
- Quality of Life Projects - \$135 million for local road maintenance and repair, school traffic safety projects, bike and pedestrian projects, local enforcement, neighborhood safety. \$500,000 of this category would go toward a feasibility study of Personal Rapid Transit.

Mr. Keeley stated that community members and some Commissioners had a fairly low expectation of the Task Force and that it was the responsibility of the Task Force to build trust, confidence and credibility with its members, the public and the Commission. He thanked the RTC staff and stated that they played a critical role throughout the entire process. He thanked the Commission for the opportunity to be of assistance to the community, members of the Task Force and RTC staff who chose to remain involved from beginning to end through a difficult process.

Commissioners thanked Mr. Keeley and the members of the TFTF for their commitment and work on behalf of the RTC. They also suggested sending a Thank You letter to all participating TFTF members. Commissioners

5-15.62

acknowledged that the plan was not perfect, but they think it is a good plan to put forward as a tax measure in 2008.

Deputy Director Luis Mendez added that on behalf of Executive Director George Dondero he expresses his gratitude to the TFTF members, the RTC staff and Mr. Keeley who dedicated his time and skills to make this process successful. Mr. Mendez also expressed a special thanks to Senior Planner Karena Pushnik for managing this project and all RTC staff who helped Ms. Pushnik at various points in the process. In addition, Mr. Mendez commended the RTC for having the courage to give the task force process a chance even when many thought that success was impossible.

Commissioner Rivas arrived at 9:36 am.

Ruth Bernstein, consultant with EMC Research, continued with a Power Point presentation of the voter survey. The polling results showed that voter opinion on transportation has remained very constant over time. People want to invest in encouraging non-car transportation; they are concerned about global warming; they accept that highway improvement is needed; and people really do need their cars today. Ms. Bernstein concluded her presentation stating that the voter survey indicates universal support for a broader vision that helps everyone get around and that also works to protect the environment. She added that it is possible to get a 2/3 majority vote but that it will take some work.

Commissioners discussed whether the November 2008 election is the most appropriate for a measure. Ms. Bernstein's opinion is that the November 2008 election will draw more voters than 2010 elections. However, the November 2008 election may have a number of other tax measures, and it is difficult to predict whether later elections will not be as busy. Ms. Bernstein also recommended a very active campaign.

Commissioners expressed concern with the 38% of voters stating that they would not vote for any tax increase. Ms. Bernstein's stated that these high numbers are being seen in other areas as well. They also discussed what would be the tipping point for a ballot measure. They stated the need to keep in mind that demographics are in constant change and voters' priorities will also change.

Commissioners discussed the need for the RTC, as a unified unit, to go out in the community and start talking about the benefits of passing this measure.

Commissioner Spence asked that staff bring to the Commission a list of all municipalities and what tax measures they currently have or if they tried and failed to pass one.

Commissioner Beautz stated that the Commission should not in any way change what the TFTF has proposed. Commissioners responded that the intent is not to change the plan but just to continue with conversations, specifically with the 28% of those who voted against the proposed TFTF plan.

Community members commented that the community is not completely opposed to a tax measure; they just want to make sure that this is not just about widening Hwy 1 but about planning for the future and encouraging modes of transportation other than automobiles.

Staff commented that in 2004 the Commission did not take a position in support of Measure J and that if the Commission is willing to support this measure the outcome may be very different.

Commissioner Johnson thanked Ms. Bernstein and the Commissioners for the comments.

5. Electric Bikes Program Final Report

Senior Planner Cory Caletti presented the staff report. She reported that this is the final report of the electric bike commuter incentive program that began in 1999 after the Major Transportation Investment Study. The scope of the project was to promote an electric bike incentive program with \$1 million in seed money provided by the Commission. Ecology Action was selected to implement the program which has been completely funded for the past seven years. She reported that 1600 electric bikes have been purchased by County residents, 2000-plus free safety trainings have been provided and an additional 1300 electronic bikes were purchased by the public outside of the incentive program. The electric bike mode expands the usability of the bicycles in terms of range for regular users and novice riders. Mrs. Caletti introduced Ms. Virginia Johnson, Executive Director with Ecology Action.

Ms. Johnson distributed copies of today's PowerPoint presentation and an interim report prepared a few years ago. She continued with the presentation of the final report highlighting the goals, tasks and outcomes accomplished for all program activities from March 2000 through August 2007.

Ms. Johnson responded to Commissioner questions regarding the target audience and whether High School students participated in this program. Ms. Johnson stated that legal regulations prohibited anyone under the age of 16 from participating in the electric bike program. She also responded that the need for advertisement is no longer necessary as they have more interest than funding. Mr. Piet Canin added that currently 6 local vendors report that electric bike sales continue.

Ms. Johnson concluded by stating that although the project might be approached differently today based on the lessons learned over the past

5-15.64

seven years, the data illustrates that the project was a success and she has no doubt that people in Santa Cruz will continue to purchase electric bicycles.

Commissioner Rivas asked that data of participant ratio be provided for the City of Watsonville.. Commissioner Pirie asked for the age break-down of participating seniors.

Transportation Policy Workshop (TPW) Chair Randy Johnson thanked Ecology Action for the report and stated that the Commission accepts it.

6. Regional Blueprint Grant Application by the Association for Monterey Bay Area Governments (AMBAG)

Deputy Director Luis Mendez presented the staff report and introduced Mr. Mark Griffin from AMBAG and Ms. Aileen Loe from Caltrans. Mr. Griffin reported that the AMBAG Board approved the proposal for the second year Blue Print grant.

Mr. Griffin stated that the grant application is due on November 30th and AMBAG is trying to complete the list of participating agencies to include in the grant application. He reported that San Benito and other counties have already joined the grant. He also stated that the focus of the work will be on visioning workshops and each participating agency will receive \$20,000-\$25,000 of grant funds to implement a workshop.

Commissioners expressed concern that Blue Printing will impose regional mandates for planning and give more decision making power to Sacramento. Aileen Loe responded that regional and local authority would be respected. She also shared that Mr. Griffin, RTC staff Grace Blakslee and herself had just attended a two-day workshop in Oakland on Blue Printing. She explained that the proposal is meant to be comprehensive in scope and provide tools to local governments to make more informed decisions.

A motion was made (Tavantzis/Campos) to approve RTC participation with AMBAG on a Blue Print planning grant application. The motion was approved with one "No" vote from Commissioner Nicol.

7. Oral and Written Communications Regarding Closed Session

Closed Session

8. Conference with Labor Negotiators Pursuant to Government Code 54957

5-15.65

9. 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

Reconvene to Open Session

4. Report on Closed Session
5. Next Meetings / Adjournment – The meeting adjourned at 11:50 am.

The next SCCRTC meeting is scheduled for Thursday, December 6, 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 is scheduled for Thursday, December 20, 2007 at 9:00 a.m. at the SCCRTC Offices, 1523 Pacific Avenue, Santa Cruz, CA.

Respectfully submitted,

Yesenia Parra, Staff

ATTENDEES

Mark Griffin, AMBAG
Jack Nelson
Les White, SC Metro
Cliff Walters, Sierra Club

Piet Canin, Ecology Action
Bonnie Morr, SCMTD
Virginia Johnson, Ecology Action

5-15.66

**Santa Cruz METRO
October 2007 Ridership Report**

ROUTE	Miles	Hours	Passes/ Free Rides	UC Student	UC Staff Faculty	Full Fare	Day Pass	Cash S/D Riders	S/D Day Pass	Cabrillo	Total Ridership	Passengers Per Mile	Passengers Per Hour	W/C	Bike
10	5,480.07	583.95	1,379	38,210	2,204	1,088	7	76	5	220	43,241	7.89	74.05	35	1,060
13	2,528.16	256.06	433	17,819	777	338	4	18	-	52	19,449	7.69	75.95	5	544
15	8,875.24	936.10	1,284	55,701	2,527	1,251	9	63	2	309	61,196	6.90	65.37	13	1,666
16	16,990.37	1,688.23	2,744	117,277	3,993	3,965	41	168	14	797	129,118	7.60	76.48	28	3,228
19	6,516.87	588.17	1,127	32,325	1,577	1,102	5	77	11	200	36,469	5.60	62.00	12	952
3	2,613.26	237.66	1,709	512	175	854	61	174	31	202	3,931	1.50	16.54	24	78
4	1,934.65	243.41	3,499	310	49	473	7	264	44	187	5,201	2.69	21.37	62	111
7	1,198.30	141.08	660	87	47	134	6	35	20	151	1,187	0.99	8.41	9	5
9	498.69	27.60	155	33	22	106	5	16	-	7	352	0.71	12.75	1	5
12A	316.57	32.59	14	1,257	222	30	1	1	1	12	1,539	4.86	47.22	-	55
20	8,245.66	642.84	1,355	26,537	1,284	1,189	37	119	3	382	31,134	3.78	48.43	11	731
27	1,616.44	177.91	33	6,277	265	89	2	2	-	27	6,701	4.15	37.67	1	208
31	2,451.39	151.41	1,146	244	97	830	12	64	2	176	2,618	1.07	17.29	7	102
32	822.07	53.68	328	70	14	242	2	6	-	25	709	0.86	13.21	-	20
33	573.39	26.84	302	7	-	149	-	6	-	4	494	0.86	18.41	-	1
34	321.08	20.31	384	2	-	167	-	-	1	1	559	1.74	27.52	-	-
35	40,507.25	2,261.73	24,189	1,684	645	15,151	315	1,322	171	2,745	46,907	1.16	20.74	88	1,962
40	2,832.98	116.33	1,060	51	6	990	41	63	8	38	2,273	0.80	19.54	1	99
41	3,301.29	166.76	724	271	99	805	5	35	1	176	2,160	0.65	12.95	2	195
42	3,595.73	141.03	448	143	35	406	3	87	6	83	1,239	0.34	8.79	2	128
53	1,280.64	126.50	517	19	20	307	8	96	9	38	1,042	0.81	8.24	71	21
54	1,963.56	149.50	392	20	21	222	7	46	6	166	889	0.45	5.95	-	36
55	3,101.78	283.68	1,701	64	46	725	15	148	26	1,804	4,556	1.47	16.06	102	146
56	2,421.67	143.75	532	4	12	224	13	41	8	539	1,389	0.57	9.66	17	63
66	6,795.35	721.99	7,766	2,116	404	6,218	163	667	63	1,017	18,802	2.77	26.04	211	554
68	5,128.55	533.47	5,218	1,802	312	3,308	103	276	36	541	11,782	2.30	22.09	87	302
68N	2,011.90	160.21	1,060	679	97	894	-	39	-	178	2,964	1.47	18.50	16	86
69	3,802.54	424.60	4,708	1,467	520	3,357	68	291	20	550	11,197	2.94	26.37	59	423
69A	15,109.46	936.88	10,034	1,621	630	10,713	174	1,288	143	966	26,334	1.74	28.11	221	839
69N	1,908.89	172.48	1,280	610	139	919	1	44	1	495	3,528	1.85	20.45	35	201
69W	14,750.06	994.18	10,854	1,808	638	11,002	156	972	92	5,078	31,230	2.12	31.41	229	1,069
70	3,309.82	295.16	2,647	290	152	1,635	20	212	21	3,779	8,961	2.71	30.36	38	282
71	51,268.38	3,429.04	26,995	3,169	1,424	31,031	333	3,474	209	13,842	82,813	1.62	24.15	441	3,387
72	6,052.31	397.90	1,762	8	33	2,275	28	304	35	254	4,857	0.80	12.21	36	106
74	3,726.09	239.59	947	7	49	1,771	15	240	16	95	3,240	0.87	13.52	19	14
75	6,805.74	503.25	2,855	36	60	4,364	75	720	65	522	8,864	1.30	17.61	65	149
76	1,682.94	122.66	305	-	10	416	8	62	5	11	850	0.51	6.93	2	22
79	1,804.65	200.86	948	3	33	693	29	204	47	220	2,278	1.26	11.34	70	43
88															
91	6,142.80	309.12	2,356	220	145	2,099	44	98	20	1,212	6,449	1.05	20.86	18	349
UC Supplemental	1,496.08	108.08	45	7,158	251	87	-	10	-	25	7,586	5.07	70.19	1	140
Unknown			179	101	14			12		74	565			2,096	21,033
TOTAL	251,782.67	18,746.59	126,074	320,019	19,048		1,823	11,840	1,142	37,200	636,653			4,135	40,415

5-16.1

ROUTE	Monthly Pass	VTA/SC Day Pass	CalTrain	Full Fare	17 Day Pass	S/D Riders	METRO	ECO Pass	RIDERSHIP	Passengers Per Mile	Passengers Per Hour	W/C	Bike		
17	46,435.57	1,720.01	12,079	69	57	9,319	142	1,566	6,877	183	24,510	0.53	14.25	50	1,496

Monte	2,829.00
Night Owl	7,240.00
TOTAL	10,069.00

October Ridership	671,232
October Revenue	\$ 250,531.60

**Santa Cruz METRO
October 2006 Ridership Report**

FAREBOX REVENUE AND RIDERSHIP SUMMARY BY ROUTE

ROUTE	REVENUE	RIDERSHIP	UC			S/D		S/D			Passes/	
			Student	Faculty	Day Pass	Riders	W/C	Day Pass	Cabrillo	Bike	Free Rides	
10	\$ 1,350.40	35,408	31,401	2,067	10	65	23	4	150	779	935	
13	\$ 639.87	17,514	15,737	785	-	38	5	5	62	336	497	
15	\$ 2,329.63	57,289	51,258	2,679	10	82	20	13	302	1,368	1,559	
16	\$ 7,029.47	120,965	108,257	4,425	44	245	31	13	645	2,510	3,232	
19	\$ 2,144.31	34,459	30,201	1,483	11	92	15	23	233	735	1,216	
3B	\$ 1,280.43	4,299	1,659	248	26	78	20	24	220	135	1,334	
4	\$ 1,158.99	4,508	478	56	12	157	63	43	182	84	2,849	
7	\$ 357.93	1,137	87	20	3	73	7	11	125	18	631	
9	\$ 290.86	414	15	24	3	2	-	2	3	2	200	
12A	\$ 37.32	1,638	1,449	130	-	6	-	1	2	33	29	
20	\$ 2,550.72	38,792	33,617	1,395	25	116	21	11	394	752	1,676	
31	\$ 1,440.73	2,047	62	63	16	25	2	4	67	92	328	
32	\$ 452.25	687	33	12	3	8	1	1	31	30	937	
33	\$ 336.53	730	-	-	1	-	-	-	2	1	460	
34	\$ 195.16	252	1	-	-	-	-	-	11	-	115	
35	\$ 29,429.94	46,415	1,175	538	327	1,160	44	178	1,576	1,634	24,332	
40	\$ 1,759.03	2,322	75	22	44	82	2	8	6	95	1,142	
41	\$ 1,177.86	2,180	371	131	4	53	2	4	122	169	776	
42	\$ 979.48	1,355	203	30	6	86	3	4	64	144	407	
53	\$ 437.58	792	7	10	7	68	35	5	29	8	462	
54	\$ 422.68	773	9	7	5	39	14	3	103	33	374	
55	\$ 1,421.09	4,423	33	41	20	152	93	18	1,888	91	1,532	
56	\$ 393.79	1,272	2	10	7	33	31	7	430	41	585	
66	\$ 10,435.01	17,584	1,821	413	122	683	82	68	938	408	7,569	
68	\$ 5,822.62	10,781	1,849	313	73	313	73	51	566	296	4,341	
68N	\$ 1,268.31	2,347	556	112	1	38	12	-	157	102	689	
69	\$ 6,269.69	12,654	1,918	714	55	343	87	29	544	395	5,285	
69A	\$ 18,370.56	25,514	1,776	663	196	1,137	267	136	1,002	826	9,751	
69N	\$ 1,478.44	3,161	593	190	-	53	28	1	398	154	1,011	
69W	\$ 17,594.46	28,700	1,915	771	161	1,007	226	100	4,028	899	10,295	
70	\$ 2,838.06	7,191	277	106	24	199	62	22	2,495	274	2,364	
71	\$ 54,504.75	78,548	3,318	1,556	342	3,054	571	284	11,214	2,785	25,995	
72	\$ 4,474.70	4,892	23	28	42	343	17	22	253	61	1,634	
74	\$ 3,278.78	3,411	10	18	17	153	9	19	146	28	1,007	
75	\$ 8,824.33	9,081	39	69	90	681	52	58	290	151	2,857	
76	\$ 899.07	984	10	4	10	60	2	10	7	15	387	
79	\$ 1,767.43	2,178	12	38	34	214	87	66	93	14	925	
88	\$ -	-	-	-	-	-	-	-	-	-	-	
91	\$ 3,986.29	6,094	133	151	128	97	14	19	1,169	296	2,063	
UC Supplemental	\$ 87.42	2,523	2,241	118	3	4	-	-	20	38	89	
Unknown	\$ 297.60	960	196	28	-	8	8	1	84	21	130	
TOTAL	\$203,092.35	599,685	292,827	19,486	1,899	11,200	2,038	1,287	30,197	15,881	123,007	

ROUTE	REVENUE	RIDERSHIP	VTA/SC		17		S/D		ECO		Monthly Pass
			Day Pass	CalTrain	Day Pass	Riders	W/C	METRO	Pass	Bike	
17	\$ 45,445.17	24,244	15	85	133	1,298	38	5,997	98	1,233	13,051

RIDERSHIP	
Night Owl	5,851
MONTE	2,572
TOTAL	8,423

October Ridership	632,352
October Revenue	\$ 249,146.07

5-16.2

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	2	10	7	3	7	100%
FLYER/LOW FLOOR - 35'	18	2	16	15	1	15	100%
FLYER/HIGH FLOOR - 35'	13	1	12	4	8	4	100%
GILLIG/SAM TRANS - 40'	10	1	9	5	4	5	100%
DIESEL CONVERSION - 35'	15	5	10	10	0	10	100%
DIESEL CONVERSION - 40'	14	4	10	9	1	9	100%
ORION/HIGHWAY 17 - 40'	11	3	8	7	1	7	100%
GOSHEN	2	0	2	1	1	1	100%
TROLLEY	1	0	1	0	1	0	100%
CNG NEW FLYER - 40'	10	2	8	7	1	7	100%

5-16.3

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

PASSENGER LIFT PROBLEMS

MONTH OF OCTOBER 2007

BUS #	DATE	DAY	REASON
2205CG	11-Oct	Thursday	Ramp for w/c is slow going out. Have to push it at times and also slow to stow, also have to pull it to stow.
2237CN	26-Oct	Friday	Kneel not coming up - then serious bouncing in front end
8079F	16-Oct	Tuesday	Lift beeper stays on in off position. Off in the on position.
8079F	18-Oct	Thursday	Warning buzzer w/c lift
9810LF	24-Oct	Wednesday	Kneel-red switch does not navigate the up kneel has to be done by finger
9815LF	8-Oct	Monday	Hood over Kneel switch broken
9831G	17-Oct	Wednesday	Won't come out of kneel. Does work now
9838G	17-Oct	Wednesday	Lift down
9840G	3-Oct	Wednesday	The lift wasn't lifting passengers

- 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.

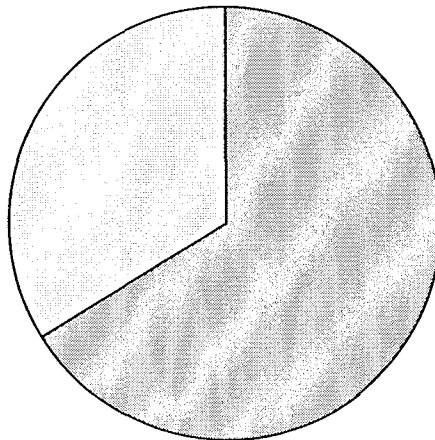
5-16.4

Dropped Service for FY 2008

	FY 2005/06		FY 2006/07		FY 2007/08	
	Dropped Hours	Dropped Miles	Dropped Hours	Dropped Miles	Dropped Hours	Dropped Miles
July	0	0	5.00	96.88	5.53	90.97
August	213.92	3,575.86	15.02	276.46	4.93	110.45
September	140.97	2,336.50	11.30	160.72	9.00	191.05
October	STRIKE	STRIKE	37.52	540.19	9.52	122.24
November	113.77	1,780.56	37.55	477.48		
December	95.61	1,659.66	6.08	143.84		
January	16.52	286.31	12.24	188.23		
February	39.22	579.38	13.07	88.59		
March	21.38	380.68	7.13	133.30		
April	62.57	986.08	4.85	43.67		
May	33.47	551.00	16.00	241.42		
June	20.20	267.47	62.19	802.29		
TOTAL	757.62	12,403.50	227.95	3,193.06	28.98	514.71

Dropped Service Breakdown for October 2007

Other
3.22 hrs



No Operator
6.30 hrs

5-16.5

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 21, 2007
TO: Board of Directors
FROM: Tom Stickel, Manager of Fleet Maintenance
SUBJECT: **CONSIDERATION OF CONTRACT RENEWAL FOR HAZARDOUS WASTE REMOVAL SERVICES WITH EVERGREEN OIL, INC.**

REQUESTED ACTION

I. RECOMMENDED ACTION

District Staff recommends that the Board of Directors authorize the General Manager to enter into a one-year contract extension with Evergreen Oil, Inc. for hazardous waste removal services under the same terms and conditions.

II. SUMMARY OF ISSUES

- The District has a contract with Evergreen Oil, Inc. for hazardous waste disposal.
- At the District's option, this contract may be renewed for four (4) additional one-year terms.
- Evergreen Oil, Inc. has indicated that they are interested in extending the contract term through January 31, 2009 under the same terms and conditions.

III. DISCUSSION

The District currently has a contract with Evergreen Oil, Inc. for hazardous waste disposal. The contract is due to expire on January 31, 2008. Terms of the contract allow the District the option to renew the contract for four (4) additional one-year terms under the same terms and conditions. Evergreen Oil, Inc. has indicated that they are interested in extending the contract for one additional year under the same terms and conditions. District Staff recommends that the Board of Directors authorize the General Manager to enter into a one-year contract extension with Evergreen Oil, Inc. for hazardous waste removal services under the same terms and conditions.

IV. FINANCIAL CONSIDERATIONS

Funds are available in the Facilities Maintenance operating budget for this amendment.

V. ATTACHMENTS

- Attachment A:** Letter from Evergreen Oil, Inc.
Attachment B: Contract Amendment

5-17.1



Evergreen Oil, Inc.

dedicated to the protection of the environment

Attachment A

10 December 2007

Mr Lloyd Longnecker
Santa Cruz Metropolitan Transit District
110 Vernon Street, Suite B
Santa Cruz, California
95060

**Re: Renewal of Contract 03-09
Hazardous Waste Removal Services**

Dear Mr. Longnecker:

Evergreen Oil, Inc (EOI) is in receipt of the your request to extend the above listed contract for an additional year. We are pleased to do so with no changes

We thank Santa Cruz Metropolitan Transit District for the business

Sincerely,
Evergreen Oil, Inc.

Gary B. Colbert
Executive Vice President

Headquarters

2355 Main Street, Suite 230
Irvine, CA 92614

Tel: (949) 757-7770 Fax: (949) 474-9149

Customer Service: (800) 972-5284

Operations - North

6880 Smith Avenue
Newark, CA 94560-4224

Tel: (510) 795-4400

Fax: 510) 796-2559

Website: www.evergreenoil.com



5-17.01

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FOURTH AMENDMENT TO CONTRACT NO. 03-09
FOR HAZARDOUS WASTE DISPOSAL SERVICES**

This Fourth Amendment to Contract No. 03-09 for Hazardous Waste Disposal Services is made effective February 1, 2008 between the Santa Cruz Metropolitan Transit District, a political subdivision of the State of California ("District") and EVERGREEN OIL, INC. ("Contractor").

I. RECITALS

1.1 District and Contractor entered into a Contract for Hazardous Waste Disposal Services ("Contract") on February 1, 2004.

1.2 The Contract allows for the extension upon mutual written consent.

Therefore, District and Contractor amend the Contract as follows:

II. TERM

2.1 Article 3.02 is amended to include the following language:

This Contract shall continue through January 31, 2009. This Contract may be mutually extended by agreement of both parties.

III. REMAINING TERMS AND CONDITIONS

3.1 All other provisions of the Contract that are not affected by this amendment shall remain unchanged and in full force and effect.

IV. AUTHORITY

4.1 Each party has full power to enter into and perform this Fourth Amendment to the Contract and the person signing this Fourth Amendment on behalf of each has been properly authorized and empowered to enter into it. Each party further acknowledges that it has read this Fourth Amendment to the Contract, understands it, and agrees to be bound by it.

SIGNATURES ON NEXT PAGE

5-17.61

Signed on _____

DISTRICT
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR
EVERGREEN OIL, INC.

By _____
Gary B. Colbert
Vice President

Approved as to Form:

Margaret R. Gallagher
District Counsel

5-17.62²

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 21, 2007

TO: Board of Directors

FROM: Tom Stickel, Manager of Maintenance

SUBJECT: CONSIDERATION OF AMENDING CONTRACT FOR CONVERSION OF 40 DIESEL ENGINE POWERED COACHES AND FUEL SYSTEMS TO COMPRESSED NATURAL GAS WITH VALLEY POWER SYSTEMS, INC.

I. RECOMMENDED ACTION

District Staff recommends that the Board of Directors authorize the General Manager to execute a contract amendment for the conversion of 40 diesel engine powered coaches and fuel systems to compressed natural gas with Valley Power Systems, Inc. to extend the effective period of the contract through September 1, 2008.

II. SUMMARY OF ISSUES

- A contract was established with Valley Power Systems, Inc. to provide conversion of 40 diesel engine powered coaches and fuel systems to compressed natural gas.
- Contractor has experienced several delays and setbacks during the course of the contract.
- Contractor has requested an extension of time in order to complete the contract.
- District staff is recommending that the Board of Directors authorize the General Manager to execute a contract amendment for the conversion of 40 diesel engine powered coaches and fuel systems to compressed natural gas with Valley Power Systems, Inc. to extend the effective period of the contract through September 1, 2008.

III. DISCUSSION

On February 1, 2007, METRO issued a contract to Valley Power Systems, Inc. to provide conversion of 40 diesel engine powered coaches and fuel systems to compressed natural gas. According to the contract, all re-power conversions were to be completed by January 31, 2008. Shortly after the Contractor started the re-power conversions there were several unexpected challenges and problems with the programmable logic control systems for both the New Flyer and the Orion coaches. Contractor's direct dealings with the coach manufacturer's engineers has been extensive and time consuming. Upon receipt of the pilot buses, METRO testing produced several engine check engine lights with engine error codes. Problems were also identified with low fuel temperature which required the addition of a fuel heater module. Throttle position sensors were indicating a mismatch error code.

5-18.1

When METRO purchased the Orion Suburban Coaches, they were delivered without the roof support structure and clam shells for the CNG fuel tanks. METRO had an agreement with Orion to provide the CNG fuel tanks at a guaranteed rate when METRO was ready for the conversion. There was a delay when Orion at first did not remember the agreement until copies of their correspondence was provided.

District staff is recommending that the Board of Directors authorize the General Manager to execute a contract amendment for the conversion of 40 diesel engine powered coaches and fuel systems to compressed natural gas with Valley Power Systems, Inc. to extend the effective period of the contract through September 1, 2008.

IV. FINANCIAL CONSIDERATIONS

No additional funding for the contract amendment is required.

V. ATTACHMENTS

Attachment A: Letter received from Valley Power Systems, Inc.

Attachment B: Contract Amendment with Valley Power Systems, Inc.

5-18.2



Valley

POWER SYSTEMS, INC.

425 S. Hacienda Boulevard, City of Industry, CA 91745

(626) 333-1243

FAX (626) 934-6200

December 6, 2007

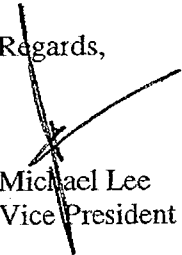
Mr. Tom Stickel
Santa Cruz Metropolitan Transit District
110 Vernon Street, Suite B
Santa Cruz, CA 95060

RECEIVED
2007 DEC 10 AM 9:27
SANTA CRUZ METRO
TRANSIT DISTRICT

Dear Mr. Stickel,

Valley Power Systems, Inc. hereby requests an extension of time to complete Contract 06-10 until September 1, 2008. We have incurred delays due to several factors, including greater than expected challenges in engineering the first article Orion and troubleshooting minor installation issues. At this time, we believe we have addressed all known issues and expect to ship three to four buses per month going forward.

Regards,


Michael Lee
Vice President

5-18.a1

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FIRST AMENDMENT TO CONTRACT NO. 06-10
FOR CONVERSION OF 40 DIESEL ENGINE POWERED COACHES TO
COMPRESSED NATURAL GAS**

This First Amendment to Contract No. 06-10 for conversion of 40 diesel engine powered coaches to compressed natural gas is made effective February 1, 2008 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California (“District”) and VALLEY POWER SYSTEMS, INC.(“Contractor”).

I. RECITALS

1.1 District and Contractor entered into a Contract for conversion of 40 diesel engine powered coaches to compressed natural gas (“Contract”) on February 1, 2007.

1.2 District desires to extend the contract until September 1, 2008.

Therefore, District and Contractor amend the Contract as follows:

II. TERM

2.1 Article 3.02 Term is amended to include the following language:

The term of this contract is extended to September 1, 2008.

III. REMAINING TERMS AND CONDITIONS

3.1 All other provisions of the Contract that are not affected by this amendment shall remain unchanged and in full force and effect.

IV. AUTHORITY

4.1 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.

SIGNATURES ON NEXT PAGE

5-18.61

Signed on _____

DISTRICT
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR
VALLEY POWER SYSTEMS, INC.

By _____
Peter B. Hill, Jr.
President

Approved as to Form:

Margaret R. Gallagher
District Counsel

5-18.6²

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 21, 2007
TO: Board of Directors
FROM: Robyn Slater, Human Resources Manager
SUBJECT: PRESENTATION OF EMPLOYEE LONGEVITY AWARDS

I. RECOMMENDED ACTION

Staff recommends that the Board of Directors recognize the anniversaries of those District employees named on the attached list and that the Board Chair present them with awards.

II. SUMMARY OF ISSUES

- None.

III. DISCUSSION

Many employees have provided dedicated and valuable years to the Santa Cruz Metropolitan Transit District. In order to recognize these employees, anniversary awards are presented at five-year increments beginning with the tenth year. In an effort to accommodate those employees that are to be recognized, they will be invited to attend the Board meetings to receive their awards.

IV. FINANCIAL CONSIDERATIONS

None.

V. ATTACHMENTS

Attachment A: Employee Recognition List

6.1

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
EMPLOYEE RECOGNITION**

TEN YEARS

Leslie R. White, General Manager

FIFTEEN YEARS

None

TWENTY YEARS

None

TWENTY-FIVE YEARS

None

THIRTY YEARS

None

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 21, 2007
TO: Board of Directors
FROM: Angela Aitken, Finance Manager
SUBJECT: MONTHLY BUDGET STATUS REPORTS FOR JULY 2007, AUGUST 2007, AND SEPTEMBER 2007.

I. RECOMMENDED ACTION

Staff recommends that the Board of Directors approve the budget status reports for July 2007, August 2007, and September 2007.

II. SUMMARY OF ISSUES

- **Operating Revenues** for the 1st Qtr of FY08 were \$4,367K or 4% under the amount of revenue expected.
- **Operating Expenses** for the 1st Qtr of FY08 were \$1,646K or 17% under budget.
- **Capital Budget** spending for the 1st Qtr of FY08 was \$4,870K or 14% of the Capital 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, expenses and capital in relation to the adopted operating and capital budgets for the fiscal year. The attached monthly revenue, expense and capital reports represent the status of the District's FY08 operating and capital budgets versus actual expenditures for the month.

A new format is being introduced to clearly show, on an ongoing basis, the status of the District's revenue, expenses, and capital on a monthly, year to date, and year over year basis with dollar and percent columns to show variances clearly. This distinct view will allow limited budget transfers to balance individual departments instead of each line item within the department.

The fiscal year has elapsed 25%.

7.1

A. Operating Revenue

For the 1st Qtr of FY08, revenue was \$4,367K or 4% under the amount of revenue expected. The majority of this variance was due to the FTA Sec 5307 – Op Asst money of \$3,877K coming in later than budgeted. This will correct itself in October when the money was received. Other revenue variances are explained in the notes at the end of the revenue report.

B. Operating Expense by Department

Total Operating Expense by Department for the 1st Qtr of FY08 was \$1,646K or 17% under budget; 4% below where we were in FY07. Majority of the variance is due to not being up to full complement in Facilities, Paratransit, Operations, Bus Operators and Fleet Maintenance. Fuel costs have been below estimates in Fleet and equipment contracts have come in below budget in Facilities.

C. Consolidated Operating Expenses

Consolidated Operating Expenses for the 1st Qtr of FY08 were \$1,646K or 17% under budget. Personnel Expenses, Prof & Tech Fees, Temp Help, Security Services, Repair-Equipment, Fuels & Lube Rev Veh, Insurance – PL & PD, and Contr/Paratransit all contributed to the variance. Further explanation of these accounts is contained in the notes following the report.

D. Capital Budget

A total of \$4,870K or 14% has been expended in the Capital Budget YTD. Of this, \$672K or 7% has been spent of the MetroBase line item, while \$3,995K or 57% has been spent of the 110 Vernon Purchase & Renovation line item.

IV. FINANCIAL CONSIDERATIONS

None

IV. ATTACHMENTS

Attachment A: FY08 Operating Revenue for the month ending – 07/31/07
FY08 Operating Expenses by Department for the month ending – 07/31/07
FY08 Consolidated Operating Expenses for the month ending – 07/31/07
FY08 Capital Budget Reports for the month ending – 07/31/07

Attachment B: FY08 Operating Revenue for the month ending – 08/31/07
FY08 Operating Expenses by Department for the month ending – 08/31/07
FY08 Consolidated Operating Expenses for the month ending – 08/31/07
FY08 Capital Budget Reports for the month ending – 08/31/07

Attachment C: FY08 Operating Revenue for the month ending – 09/30/07
FY08 Operating Expenses by Department for the month ending – 09/30/07
FY08 Consolidated Operating Expenses for the month ending – 09/30/07
FY08 Capital Budget Reports for the month ending – 09/30/07

FY2008
Operating Revenue
For the month ending - July 31, 2007

Percent of Year Elapsed - 8%

Revenue Source	Current Period				Year to Date				YTD Year over Year Comparison				Notes
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var	Actual		\$ Var	% Var	
									FY08	FY07			
Passenger Fares	\$ 315,969	\$ 287,507	\$ 28,462	10%	\$ 315,969	\$ 287,507	\$ 28,462	10%	\$ 315,969	\$ 273,576	\$ 42,393	15%	
Paratransit Fares	\$ 15,403	\$ 20,800	\$ (5,397)	-26%	\$ 15,403	\$ 20,800	\$ (5,397)	-26%	\$ 15,403	\$ 19,931	\$ (4,528)	-23%	
Special Transit Fares	\$ 67,521	\$ 235,271	\$ (167,750)	-71%	\$ 67,521	\$ 235,271	\$ (167,750)	-71%	\$ 67,521	\$ 68,895	\$ (1,374)	-2%	
Highway 17 Fares	\$ 60,568	\$ 70,310	\$ (9,742)	-14%	\$ 60,568	\$ 70,310	\$ (9,742)	-14%	\$ 60,568	\$ 57,506	\$ 3,062	5%	
Highway 17 Payments	\$ 50,127	\$ 38,544	\$ 11,583	30%	\$ 50,127	\$ 38,544	\$ 11,583	30%	\$ 50,127	\$ 42,040	\$ 8,087	19%	
Subtotal Passenger Revenue	\$ 509,588	\$ 652,432	\$ (142,844)	-22%	\$ 509,588	\$ 652,432	\$ (142,844)	-22%	\$ 509,588	\$ 461,948	\$ 47,640	10%	1
Commissions	\$ 694	\$ 500	\$ 194	39%	\$ 694	\$ 500	\$ 194	39%	\$ 694	\$ 563	\$ 131	23%	
Advertising Income	\$ 24,261	\$ 12,083	\$ 12,178	101%	\$ 24,261	\$ 12,083	\$ 12,178	101%	\$ 24,261	\$ 26,725	\$ (2,464)	-9%	2
Rent Income - SC Pacific Station	\$ 8,137	\$ 7,087	\$ 1,050	15%	\$ 8,137	\$ 7,087	\$ 1,050	15%	\$ 8,137	\$ 8,793	\$ (656)	-7%	
Rent Income - Watsonville TC	\$ 4,753	\$ 4,124	\$ 629	15%	\$ 4,753	\$ 4,124	\$ 629	15%	\$ 4,753	\$ 5,373	\$ (620)	-12%	
Rent Income - General	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ 1,600	\$ (1,600)	-100%	
Interest Income	\$ 106,489	\$ 89,667	\$ 16,822	19%	\$ 106,489	\$ 89,667	\$ 16,822	19%	\$ 106,489	\$ 102,380	\$ 4,109	4%	
Other Non-Transp Revenue	\$ 499	\$ 23,583	\$ (23,084)	-98%	\$ 499	\$ 23,583	\$ (23,084)	-98%	\$ 499	\$ 144,854	\$ (144,355)	-100%	3
Sales Tax Revenue	\$ 1,205,400	\$ 1,468,704	\$ (263,304)	-18%	\$ 1,205,400	\$ 1,468,704	\$ (263,304)	-18%	\$ 1,205,400	\$ 1,089,400	\$ 116,000	11%	4
Transp Dev Act (TDA) - Op Asst	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
FTA Sec 5307 - Op Asst	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
Repay FTA Advance	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
FTA Sec 5311 - Rural Op Asst	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
Transfer from Capital/Proj Mgr	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
Subtotal Revenue	\$ 1,859,821	\$ 2,258,180	\$ (398,359)	-18%	\$ 1,859,821	\$ 2,258,180	\$ (398,359)	-18%	\$ 1,859,821	\$ 1,841,636	\$ 18,185	1%	
One-Time Revenue													
Carryover from Previous Year	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
Transfer from Insurance Reserves	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
FTA Sec 5317 - Op Assistance	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
AMBAG Funding	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
Subtotal One-Time Revenue	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
Total Operating Revenue	\$ 1,859,821	\$ 2,258,180	\$ (398,359)	-18%	\$ 1,859,821	\$ 2,258,180	\$ (398,359)	-18%	\$ 1,859,821	\$ 1,841,636	\$ 18,185	1%	
Total Operating Expenses	\$ 2,542,220				\$ 2,542,220				\$ 2,542,220	\$ 2,947,572			
Variance	\$ (682,399)				\$ (682,399)				\$ (682,399)	\$ (1,105,936)			

Current Period Notes:

- 1) Passenger Revenue is below budget for the month and YTD due to straight lining of the budget and school being out. YTD Year over Year comparison shows a 15% increase.
- 2) Advertising Income is over budget for the month and YTD due to more ad revenue than budgeted.
- 3) Other Non-Transp Revenue is behind for the month and YTD due to UTU PERS reimbursement from the County which is collected on a qtrly basis.
- 4) Sales Tax Revenue is below budget for the month and YTD due to lower collections than County estimated. YTD Year over year, we are 11% ahead of FY07 collections.

7.02

FY2008
Operating Expenses by Department
For the month ending - July 31, 2007

	Current Period				Year to Date				Year to Date				Notes
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var	Actual FY08	FY07	\$ Var	% Var	
Departmental Personnel Expenses													
700 - SCCIC	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
1100 - Administration	\$ 69,361	\$ 86,009	\$ (16,648)	-19%	\$ 69,361	\$ 86,009	\$ (16,648)	-19%	\$ 69,361	\$ 75,017	\$ (5,656)	-8%	
1200 - Finance	\$ 43,227	\$ 51,760	\$ (8,533)	-16%	\$ 43,227	\$ 51,760	\$ (8,533)	-16%	\$ 43,227	\$ 34,337	\$ 8,890	26%	
1300 - Customer Service	\$ 33,565	\$ 43,127	\$ (9,562)	-22%	\$ 33,565	\$ 43,127	\$ (9,562)	-22%	\$ 33,565	\$ 35,592	\$ (2,027)	-6%	
1400 - Human Resources	\$ 41,213	\$ 49,317	\$ (8,104)	-16%	\$ 41,213	\$ 49,317	\$ (8,104)	-16%	\$ 41,213	\$ 35,846	\$ 5,367	15%	
1500 - Information Technology	\$ 38,366	\$ 41,121	\$ (2,755)	-7%	\$ 38,366	\$ 41,121	\$ (2,755)	-7%	\$ 38,366	\$ 39,162	\$ (796)	-2%	
1700 - District Counsel	\$ 28,696	\$ 38,234	\$ (9,538)	-25%	\$ 28,696	\$ 38,234	\$ (9,538)	-25%	\$ 28,696	\$ 31,880	\$ (3,184)	-10%	
1800 - Risk Management	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
2200 - Facilities Maintenance	\$ 68,791	\$ 85,692	\$ (16,901)	-20%	\$ 68,791	\$ 85,692	\$ (16,901)	-20%	\$ 68,791	\$ 82,265	\$ (13,474)	-16%	
3100 - Paratransit Program	\$ 215,842	\$ 251,796	\$ (35,954)	-14%	\$ 215,842	\$ 251,796	\$ (35,954)	-14%	\$ 215,842	\$ 247,991	\$ (32,149)	-13%	
3200 - Operations	\$ 155,254	\$ 178,655	\$ (23,401)	-13%	\$ 155,254	\$ 178,655	\$ (23,401)	-13%	\$ 155,254	\$ 194,213	\$ (38,959)	-20%	
3300 - Bus Operators	\$ 938,887	\$ 1,153,142	\$ (214,255)	-19%	\$ 938,887	\$ 1,153,142	\$ (214,255)	-19%	\$ 938,887	\$ 1,109,038	\$ (170,151)	-15%	
4100 - Fleet Maintenance	\$ 305,088	\$ 347,444	\$ (42,356)	-12%	\$ 305,088	\$ 347,444	\$ (42,356)	-12%	\$ 305,088	\$ 311,294	\$ (6,206)	-2%	
9001 - Cobra Benefits	\$ 1,525	\$ -	\$ 1,525	0%	\$ 1,525	\$ -	\$ 1,525	0%	\$ 1,525	\$ 177	\$ 1,348	762%	
9005 - Retired Employee Benefits	\$ 118,536	\$ 144,500	\$ (25,964)	-18%	\$ 118,536	\$ 144,500	\$ (25,964)	-18%	\$ 118,536	\$ 187,130	\$ (68,594)	-37%	
Additional Operating Programs	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
Subtotal Personnel Expenses	\$ 2,058,351	\$ 2,470,797	\$ (412,446)	-17%	\$ 2,058,351	\$ 2,470,797	\$ (412,446)	-17%	\$ 2,058,351	\$ 2,383,942	\$ (325,591)	-14%	
Departmental Non-Personnel Expenses													
700 - SCCIC	\$ -	\$ 42	\$ (42)	-100%	\$ -	\$ 42	\$ (42)	-100%	\$ -	\$ 20	\$ (20)	-100%	
1100 - Administration	\$ 45,651	\$ 72,853	\$ (27,202)	-37%	\$ 45,651	\$ 72,853	\$ (27,202)	-37%	\$ 45,651	\$ 87,934	\$ (42,283)	-48%	
1200 - Finance	\$ 44,698	\$ 68,287	\$ (23,589)	-35%	\$ 44,698	\$ 68,287	\$ (23,589)	-35%	\$ 44,698	\$ 49,688	\$ (4,990)	-10%	
1300 - Customer Service	\$ 1,135	\$ 9,726	\$ (8,591)	-88%	\$ 1,135	\$ 9,726	\$ (8,591)	-88%	\$ 1,135	\$ 1,137	\$ (2)	0%	
1400 - Human Resources	\$ 6,728	\$ 8,131	\$ (1,403)	-17%	\$ 6,728	\$ 8,131	\$ (1,403)	-17%	\$ 6,728	\$ 10,152	\$ (3,424)	-34%	
1500 - Information Technology	\$ 11,587	\$ 13,268	\$ (1,681)	-13%	\$ 11,587	\$ 13,268	\$ (1,681)	-13%	\$ 11,587	\$ 15,782	\$ (4,195)	-27%	
1700 - District Counsel	\$ 2,805	\$ 1,512	\$ 1,293	86%	\$ 2,805	\$ 1,512	\$ 1,293	86%	\$ 2,805	\$ 1,583	\$ 1,222	77%	
1800 - Risk Management	\$ 4,841	\$ 20,656	\$ (15,815)	-77%	\$ 4,841	\$ 20,656	\$ (15,815)	-77%	\$ 4,841	\$ 4,733	\$ 108	2%	
2200 - Facilities Maintenance	\$ 29,752	\$ 44,532	\$ (14,780)	-33%	\$ 29,752	\$ 44,532	\$ (14,780)	-33%	\$ 29,752	\$ 29,485	\$ 267	1%	
3100 - Paratransit Program	\$ 52,032	\$ 64,048	\$ (12,016)	-19%	\$ 52,032	\$ 64,048	\$ (12,016)	-19%	\$ 52,032	\$ 58,941	\$ (6,909)	-12%	
3200 - Operations	\$ 37,247	\$ 53,692	\$ (16,445)	-31%	\$ 37,247	\$ 53,692	\$ (16,445)	-31%	\$ 37,247	\$ 46,472	\$ (9,225)	-20%	
3300 - Bus Operators	\$ -	\$ 750	\$ (750)	-100%	\$ -	\$ 750	\$ (750)	-100%	\$ -	\$ -	\$ -	0%	
4100 - Fleet Maintenance	\$ 247,392	\$ 403,205	\$ (155,813)	-39%	\$ 247,392	\$ 403,205	\$ (155,813)	-39%	\$ 247,392	\$ 257,701	\$ (10,309)	-4%	
9001 - Cobra Benefits	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
9005 - Retired Employee Benefits	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
Additional Operating Programs	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
Subtotal Non-Personnel Expenses	\$ 483,868	\$ 760,702	\$ (276,834)	-36%	\$ 483,868	\$ 760,702	\$ (276,834)	-36%	\$ 483,868	\$ 563,628	\$ (79,760)	-14%	

FY2008
Operating Expenses by Department
For the month ending - July 31, 2007

	Current Period				Year to Date				Year to Date				Notes	
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var	Actual FY08	FY07	\$ Var	% Var		
Total Departmental Expenses														
700 - SCCIC	\$ -	\$ 42	\$ (42)	-100%	\$ -	\$ 42	\$ (42)	-100%	\$ -	\$ 20	\$ (20)	-100%		
1100 - Administration	\$ 115,012	\$ 158,862	\$ (43,850)	-28%	\$ 115,012	\$ 158,862	\$ (43,850)	-28%	\$ 115,012	\$ 162,951	\$ (47,939)	-29%		
1200 - Finance	\$ 87,925	\$ 120,047	\$ (32,122)	-27%	\$ 87,925	\$ 120,047	\$ (32,122)	-27%	\$ 87,925	\$ 84,025	\$ 3,900	5%		
1300 - Customer Service	\$ 34,700	\$ 52,853	\$ (18,153)	-34%	\$ 34,700	\$ 52,853	\$ (18,153)	-34%	\$ 34,700	\$ 36,729	\$ (2,029)	-6%		
1400 - Human Resources	\$ 47,941	\$ 57,448	\$ (9,507)	-17%	\$ 47,941	\$ 57,448	\$ (9,507)	-17%	\$ 47,941	\$ 45,998	\$ 1,943	4%		
1500 - Information Technology	\$ 49,953	\$ 54,389	\$ (4,436)	-8%	\$ 49,953	\$ 54,389	\$ (4,436)	-8%	\$ 49,953	\$ 54,944	\$ (4,991)	-9%		
1700 - District Counsel	\$ 31,501	\$ 39,746	\$ (8,245)	-21%	\$ 31,501	\$ 39,746	\$ (8,245)	-21%	\$ 31,501	\$ 33,463	\$ (1,962)	-6%		
1800 - Risk Management	\$ 4,841	\$ 20,656	\$ (15,815)	-77%	\$ 4,841	\$ 20,656	\$ (15,815)	-77%	\$ 4,841	\$ 4,733	\$ 108	2%		
2200 - Facilities Maintenance	\$ 98,543	\$ 130,224	\$ (31,681)	-24%	\$ 98,543	\$ 130,224	\$ (31,681)	-24%	\$ 98,543	\$ 111,750	\$ (13,207)	-12%		
3100 - Paratransit Program	\$ 267,874	\$ 315,844	\$ (47,970)	-15%	\$ 267,874	\$ 315,844	\$ (47,970)	-15%	\$ 267,874	\$ 306,932	\$ (39,058)	-13%		
3200 - Operations	\$ 192,501	\$ 232,347	\$ (39,846)	-17%	\$ 192,501	\$ 232,347	\$ (39,846)	-17%	\$ 192,501	\$ 240,685	\$ (48,184)	-20%		
3300 - Bus Operators	\$ 938,887	\$ 1,153,892	\$ (215,005)	-19%	\$ 938,887	\$ 1,153,892	\$ (215,005)	-19%	\$ 938,887	\$ 1,109,038	\$ (170,151)	-15%	1	
4100 - Fleet Maintenance	\$ 552,480	\$ 750,649	\$ (198,169)	-26%	\$ 552,480	\$ 750,649	\$ (198,169)	-26%	\$ 552,480	\$ 568,995	\$ (16,515)	-3%	2	
9001 - Cobra Benefits	\$ 1,525	\$ -	\$ 1,525	0%	\$ 1,525	\$ -	\$ 1,525	0%	\$ 1,525	\$ 177	\$ 1,348	762%		
9005 - Retired Employee Benefits	\$ 118,536	\$ 144,500	\$ (25,964)	-18%	\$ 118,536	\$ 144,500	\$ (25,964)	-18%	\$ 118,536	\$ 187,130	\$ (68,594)	-37%		
Additional Operating Programs	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%		
Total Operating Expenses	\$ 2,542,219	\$ 3,231,499	\$ (689,280)	-21%	\$ 2,542,219	\$ 3,231,499	\$ (689,280)	-21%	\$ 2,542,219	\$ 2,947,570	\$ (405,351)	-14%		

Current Period Notes:

- 1) **Bus Operators** is under budget due to not being at full complement.
- 2) **Fleet Maintenance** is under budget due to not being at full complement and fuel costs below estimates.

7.23

FY2008
Consolidated Operating Expenses
For the month ending - July 31, 2007

	Current Period				Year to Date				Year to Date				Notes
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var	Actual FY08	FY07	\$ Var	% Var	
LABOR													
501011 Bus Operator Pay	\$ 578,778	\$ 687,597	\$ (108,819)	-16%	\$ 578,778	\$ 687,597	\$ (108,819)	-16%	\$ 578,778	\$ 532,459	\$ 46,319	9%	
501013 Bus Operator Overtime	\$ 59,511	\$ 102,083	\$ (42,572)	-42%	\$ 59,511	\$ 102,083	\$ (42,572)	-42%	\$ 59,511	\$ 87,409	\$ (27,898)	-32%	
501021 Other Salaries	\$ 479,357	\$ 541,357	\$ (62,000)	-11%	\$ 479,357	\$ 541,357	\$ (62,000)	-11%	\$ 479,357	\$ 434,219	\$ 45,138	10%	
501023 Other Overtime	\$ 17,789	\$ 19,684	\$ (1,895)	-10%	\$ 17,789	\$ 19,684	\$ (1,895)	-10%	\$ 17,789	\$ 13,290	\$ 4,499	34%	
Total Labor -	\$ 1,135,435	\$ 1,350,721	\$ (215,286)	-16%	\$ 1,135,435	\$ 1,350,721	\$ (215,286)	-16%	\$ 1,135,435	\$ 1,067,377	\$ 68,058	6%	
FRINGE BENEFITS													
502011 Medicare/Soc. Sec.	\$ 16,160	\$ 20,139	\$ (3,979)	-20%	\$ 16,160	\$ 20,139	\$ (3,979)	-20%	\$ 16,160	\$ 14,273	\$ 1,887	13%	
502021 Retirement	\$ 166,280	\$ 185,973	\$ (19,693)	-11%	\$ 166,280	\$ 185,973	\$ (19,693)	-11%	\$ 166,280	\$ 140,123	\$ 26,157	19%	
502031 Medical Insurance	\$ 370,240	\$ 438,530	\$ (68,290)	-16%	\$ 370,240	\$ 438,530	\$ (68,290)	-16%	\$ 370,240	\$ 651,237	\$ (280,997)	-43%	
502041 Dental Insurance	\$ 38,219	\$ 40,928	\$ (2,709)	-7%	\$ 38,219	\$ 40,928	\$ (2,709)	-7%	\$ 38,219	\$ 36,837	\$ 1,382	4%	
502045 Vision Insurance	\$ 10,684	\$ 11,336	\$ (652)	-6%	\$ 10,684	\$ 11,336	\$ (652)	-6%	\$ 10,684	\$ 11,711	\$ (1,027)	-9%	
502051 Life Insurance	\$ -	\$ 4,414	\$ (4,414)	-100%	\$ -	\$ 4,414	\$ (4,414)	-100%	\$ -	\$ 3,720	\$ (3,720)	-100%	
502060 State Disability	\$ 9,738	\$ 30,599	\$ (20,861)	-68%	\$ 9,738	\$ 30,599	\$ (20,861)	-68%	\$ 9,738	\$ 16,003	\$ (6,265)	-39%	
502061 Disability Insurance	\$ 16,840	\$ 15,926	\$ 914	6%	\$ 16,840	\$ 15,926	\$ 914	6%	\$ 16,840	\$ 14,816	\$ 2,024	14%	
502071 State Unemp. Ins	\$ 295	\$ 8,019	\$ (7,724)	-96%	\$ 295	\$ 8,019	\$ (7,724)	-96%	\$ 295	\$ 643	\$ (348)	-54%	
502081 Worker's Comp Ins	\$ 33,335	\$ 116,390	\$ (83,055)	-71%	\$ 33,335	\$ 116,390	\$ (83,055)	-71%	\$ 33,335	\$ 139,229	\$ (105,894)	-76%	
502083 Worker's Comp IBNR	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
502101 Holiday Pay	\$ 23,811	\$ 28,652	\$ (4,841)	-17%	\$ 23,811	\$ 28,652	\$ (4,841)	-17%	\$ 23,811	\$ 22,544	\$ 1,267	6%	
502103 Floating Holiday	\$ 1,990	\$ 5,467	\$ (3,477)	-64%	\$ 1,990	\$ 5,467	\$ (3,477)	-64%	\$ 1,990	\$ 5,923	\$ (3,933)	-66%	
502109 Sick Leave	\$ 48,370	\$ 63,400	\$ (15,030)	-24%	\$ 48,370	\$ 63,400	\$ (15,030)	-24%	\$ 48,370	\$ 26,720	\$ 21,650	81%	
502111 Annual Leave	\$ 166,471	\$ 125,133	\$ 41,338	33%	\$ 166,471	\$ 125,133	\$ 41,338	33%	\$ 166,471	\$ 212,856	\$ (46,385)	-22%	
502121 Other Paid Absence	\$ 7,347	\$ 13,692	\$ (6,345)	-46%	\$ 7,347	\$ 13,692	\$ (6,345)	-46%	\$ 7,347	\$ 15,734	\$ (8,387)	-53%	
502251 Physical Exams	\$ 198	\$ 3,019	\$ (2,821)	-93%	\$ 198	\$ 3,019	\$ (2,821)	-93%	\$ 198	\$ 2,310	\$ (2,112)	-91%	
502253 Driver Lic Renewal	\$ 236	\$ 433	\$ (197)	-45%	\$ 236	\$ 433	\$ (197)	-45%	\$ 236	\$ 163	\$ 73	45%	
502999 Other Fringe Benefits	\$ 12,702	\$ 8,027	\$ 4,675	58%	\$ 12,702	\$ 8,027	\$ 4,675	58%	\$ 12,702	\$ 1,721	\$ 10,981	638%	
Total Fringe Benefits -	\$ 922,916	\$ 1,120,077	\$ (197,161)	-18%	\$ 922,916	\$ 1,120,077	\$ (197,161)	-18%	\$ 922,916	\$ 1,316,563	\$ (393,647)	-30%	
Total Personnel Expenses -	\$ 2,058,351	\$ 2,470,798	\$ (412,447)	-17%	\$ 2,058,351	\$ 2,470,798	\$ (412,447)	-17%	\$ 2,058,351	\$ 2,383,940	\$ (325,589)	-14%	1

7.04

FY2008
Consolidated Operating Expenses
For the month ending - July 31, 2007

	Current Period				Year to Date				Year to Date				Notes
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var	Actual FY08	FY07	\$ Var	% Var	
SERVICES													
503011 Acctg & Audit Fees	\$ 2,760	\$ 8,354	\$ (5,594)	-67%	\$ 2,760	\$ 8,354	\$ (5,594)	-67%	\$ 2,760	\$ -	\$ 2,760	0%	
503012 Admin & Bank Fees	\$ 618	\$ 19,669	\$ (19,051)	-97%	\$ 618	\$ 19,669	\$ (19,051)	-97%	\$ 618	\$ 199	\$ 419	211%	2
503031 Prof & Tech Fees	\$ 5,643	\$ 32,126	\$ (26,483)	-82%	\$ 5,643	\$ 32,126	\$ (26,483)	-82%	\$ 5,643	\$ 21,680	\$ (16,037)	-74%	3
503032 Legislative Services	\$ 7,970	\$ 8,084	\$ (114)	-1%	\$ 7,970	\$ 8,084	\$ (114)	-1%	\$ 7,970	\$ 8,275	\$ (305)	-4%	
503033 Legal Services	\$ -	\$ 4,306	\$ (4,306)	-100%	\$ -	\$ 4,306	\$ (4,306)	-100%	\$ -	\$ 884	\$ (884)	-100%	
503034 Pre-Employ Exams	\$ 1,497	\$ 2,083	\$ (586)	-28%	\$ 1,497	\$ 2,083	\$ (586)	-28%	\$ 1,497	\$ 1,720	\$ (223)	-13%	
503041 Temp Help	\$ 4,650	\$ 1,375	\$ 3,275	238%	\$ 4,650	\$ 1,375	\$ 3,275	238%	\$ 4,650	\$ 6,705	\$ (2,055)	-31%	4
503161 Custodial Services	\$ 5,039	\$ 6,120	\$ (1,081)	-18%	\$ 5,039	\$ 6,120	\$ (1,081)	-18%	\$ 5,039	\$ 3,839	\$ 1,200	31%	
503162 Uniform & Laundry	\$ 2,843	\$ 3,743	\$ (900)	-24%	\$ 2,843	\$ 3,743	\$ (900)	-24%	\$ 2,843	\$ 2,049	\$ 794	39%	
503171 Security Services	\$ 24,524	\$ 36,994	\$ (12,470)	-34%	\$ 24,524	\$ 36,994	\$ (12,470)	-34%	\$ 24,524	\$ 28,780	\$ (4,256)	-15%	5
503221 Classified/Legal Ads	\$ 1,356	\$ 2,383	\$ (1,027)	-43%	\$ 1,356	\$ 2,383	\$ (1,027)	-43%	\$ 1,356	\$ 1,060	\$ 296	28%	
503222 Legal Advertising	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
503225 Graphic Services	\$ -	\$ 1,717	\$ (1,717)	-100%	\$ -	\$ 1,717	\$ (1,717)	-100%	\$ -	\$ -	\$ -	0%	
503351 Repair - Bldg & Impr	\$ 3,409	\$ 3,542	\$ (133)	-4%	\$ 3,409	\$ 3,542	\$ (133)	-4%	\$ 3,409	\$ 5,117	\$ (1,708)	-33%	
503352 Repair - Equipment	\$ 14,858	\$ 26,236	\$ (11,378)	-43%	\$ 14,858	\$ 26,236	\$ (11,378)	-43%	\$ 14,858	\$ 16,974	\$ (2,116)	-12%	
503353 Repair - Rev Vehicle	\$ 29,868	\$ 24,255	\$ 5,613	23%	\$ 29,868	\$ 24,255	\$ 5,613	23%	\$ 29,868	\$ 34,429	\$ (4,561)	-13%	
503354 Repair - Non Rev Vehicle	\$ 30	\$ 4,652	\$ (4,622)	-99%	\$ 30	\$ 4,652	\$ (4,622)	-99%	\$ 30	\$ 7,100	\$ (7,070)	-100%	
503363 Haz Mat Disposal	\$ 1,565	\$ 2,042	\$ (477)	-23%	\$ 1,565	\$ 2,042	\$ (477)	-23%	\$ 1,565	\$ 480	\$ 1,085	226%	
Total Services -	\$ 106,630	\$ 187,681	\$ (81,051)	-43%	\$ 106,630	\$ 187,681	\$ (81,051)	-43%	\$ 106,630	\$ 139,291	\$ (32,661)	-23%	
MOBILE MATERIALS AND SUPPLIES													
504011 Fuels & Lube Non Rev Veh	\$ 5,606	\$ 10,226	\$ (4,620)	-45%	\$ 5,606	\$ 10,226	\$ (4,620)	-45%	\$ 5,606	\$ 7,556	\$ (1,950)	-26%	
504012 Fuels & Lube Rev Veh	\$ 135,236	\$ 269,649	\$ (134,413)	-50%	\$ 135,236	\$ 269,649	\$ (134,413)	-50%	\$ 135,236	\$ 167,970	\$ (32,734)	-19%	6
504021 Tires & Tubes	\$ 17,940	\$ 18,700	\$ (760)	-4%	\$ 17,940	\$ 18,700	\$ (760)	-4%	\$ 17,940	\$ 13,829	\$ 4,111	30%	
504161 Other Mobile Supplies	\$ 510	\$ 667	\$ (157)	-24%	\$ 510	\$ 667	\$ (157)	-24%	\$ 510	\$ 70,535	\$ (70,025)	-99%	
504191 Rev Vehicle Parts	\$ 39,756	\$ 56,800	\$ (17,044)	-30%	\$ 39,756	\$ 56,800	\$ (17,044)	-30%	\$ 39,756	\$ 39,756	\$ -	0%	
Total Mobile Materials & Supplies -	\$ 199,048	\$ 356,042	\$ (156,994)	-44%	\$ 199,048	\$ 356,042	\$ (156,994)	-44%	\$ 199,048	\$ 259,890	\$ (60,842)	-23%	

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FY2008
Consolidated Operating Expenses
For the month ending - July 31, 2007

	Current Period				Year to Date				Year to Date				Notes
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var	Actual FY08	FY07	\$ Var	% Var	
OTHER MATERIALS & SUPPLIES													
504205 Freight Out	\$ (97)	\$ 412	\$ (509)	-124%	\$ (97)	\$ 412	\$ (509)	-124%	\$ (97)	\$ 501	\$ (598)	-119%	
504211 Postage & Mailing	\$ 1,635	\$ 1,867	\$ (232)	-12%	\$ 1,635	\$ 1,867	\$ (232)	-12%	\$ 1,635	\$ 1,423	\$ 212	15%	
504214 Promotional Items	\$ -	\$ 2	\$ (2)	-100%	\$ -	\$ 2	\$ (2)	-100%	\$ -	\$ -	\$ -	0%	
504215 Printing	\$ 45	\$ 7,401	\$ (7,356)	-99%	\$ 45	\$ 7,401	\$ (7,356)	-99%	\$ 45	\$ 98	\$ (53)	-54%	7
504217 Photo Supply/Processing	\$ 60	\$ 754	\$ (694)	-92%	\$ 60	\$ 754	\$ (694)	-92%	\$ 60	\$ 203	\$ (143)	-70%	
504311 Office Supplies	\$ 8,245	\$ 7,184	\$ 1,061	15%	\$ 8,245	\$ 7,184	\$ 1,061	15%	\$ 8,245	\$ 9,978	\$ (1,733)	-17%	
504315 Safety Supplies	\$ 1,626	\$ 1,521	\$ 105	7%	\$ 1,626	\$ 1,521	\$ 105	7%	\$ 1,626	\$ 347	\$ 1,279	369%	
504317 Cleaning Supplies	\$ 2,079	\$ 4,090	\$ (2,011)	-49%	\$ 2,079	\$ 4,090	\$ (2,011)	-49%	\$ 2,079	\$ 2,607	\$ (528)	-20%	
504409 Repair/Maint Supplies	\$ 2,022	\$ 3,750	\$ (1,728)	-46%	\$ 2,022	\$ 3,750	\$ (1,728)	-46%	\$ 2,022	\$ 3,667	\$ (1,645)	-45%	
504421 Non-Inventory Parts	\$ 3,345	\$ 3,605	\$ (260)	-7%	\$ 3,345	\$ 3,605	\$ (260)	-7%	\$ 3,345	\$ 1,887	\$ 1,458	77%	
504511 Small Tools	\$ 145	\$ 824	\$ (679)	-82%	\$ 145	\$ 824	\$ (679)	-82%	\$ 145	\$ 178	\$ (33)	-19%	
504515 Employee Tool Rpicmt	\$ 86	\$ 215	\$ (129)	-60%	\$ 86	\$ 215	\$ (129)	-60%	\$ 86	\$ 383	\$ (297)	-78%	
Total Other Materials & Supplies -	\$ 19,191	\$ 31,625	\$ (12,434)	-39%	\$ 19,191	\$ 31,625	\$ (12,434)	-39%	\$ 19,191	\$ 21,272	\$ (2,081)	-10%	
UTILITIES													
505011 Gas & Electric	\$ 4,573	\$ 15,151	\$ (10,578)	-70%	\$ 4,573	\$ 15,151	\$ (10,578)	-70%	\$ 4,573	\$ 7,203	\$ (2,630)	-37%	8
505021 Water & Garbage	\$ 13,168	\$ 9,274	\$ 3,894	42%	\$ 13,168	\$ 9,274	\$ 3,894	42%	\$ 13,168	\$ 10,015	\$ 3,153	31%	
505031 Telecommunications	\$ 4,474	\$ 8,021	\$ (3,547)	-44%	\$ 4,474	\$ 8,021	\$ (3,547)	-44%	\$ 4,474	\$ 5,460	\$ (986)	-18%	
Total Utilities -	\$ 22,215	\$ 32,446	\$ (10,231)	-32%	\$ 22,215	\$ 32,446	\$ (10,231)	-32%	\$ 22,215	\$ 22,678	\$ (463)	-2%	
CASUALTY & LIABILITY													
506011 Insurance - Property	\$ 3,828	\$ 4,678	\$ (850)	-18%	\$ 3,828	\$ 4,678	\$ (850)	-18%	\$ 3,828	\$ 3,291	\$ 537	16%	
506015 Insurance - PL & PD	\$ 34,362	\$ 35,000	\$ (638)	-2%	\$ 34,362	\$ 35,000	\$ (638)	-2%	\$ 34,362	\$ 42,108	\$ (7,746)	-18%	
506021 Insurance - Other	\$ 59	\$ 151	\$ (92)	-61%	\$ 59	\$ 151	\$ (92)	-61%	\$ 59	\$ 59	\$ -	0%	
506123 Settlement Costs	\$ 4,772	\$ 12,500	\$ (7,728)	-62%	\$ 4,772	\$ 12,500	\$ (7,728)	-62%	\$ 4,772	\$ 2,084	\$ 2,688	129%	
506127 Repairs - Dist Prop	\$ (2,052)	\$ -	\$ (2,052)	0%	\$ (2,052)	\$ -	\$ (2,052)	0%	\$ (2,052)	\$ (68,350)	\$ 66,298	-97%	
Total Casualty & Liability -	\$ 40,969	\$ 52,329	\$ (11,360)	-22%	\$ 40,969	\$ 52,329	\$ (11,360)	-22%	\$ 40,969	\$ (20,808)	\$ 61,777	-297%	
TAXES													
507051 Fuel Tax	\$ 1,671	\$ 888	\$ 783	88%	\$ 1,671	\$ 888	\$ 783	88%	\$ 1,671	\$ 1,926	\$ (255)	-13%	
507201 Licenses & permits	\$ 1,274	\$ 980	\$ 294	30%	\$ 1,274	\$ 980	\$ 294	30%	\$ 1,274	\$ -	\$ 1,274	0%	
507999 Other Taxes	\$ 1,211	\$ 2,058	\$ (847)	-41%	\$ 1,211	\$ 2,058	\$ (847)	-41%	\$ 1,211	\$ 2,485	\$ (1,274)	-51%	
Total Utilities -	\$ 4,156	\$ 3,926	\$ 230	6%	\$ 4,156	\$ 3,926	\$ 230	6%	\$ 4,156	\$ 4,411	\$ (255)	-6%	

FY2008
Consolidated Operating Expenses
For the month ending - July 31, 2007

	Current Period				Year to Date				Year to Date				Notes
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var	Actual FY08	FY07	\$ Var	% Var	
<u>PURCHASED TRANSPORTATION</u>													
503406 Contr/Paratrans	\$ 13,791	\$ 16,667	\$ (2,876)	-17%	\$ 13,791	\$ 16,667	\$ (2,876)	-17%	\$ 13,791	\$ 18,523	\$ (4,732)	-26%	
Total Purchased Transportation -	\$ 13,791	\$ 16,667	\$ (2,876)	-17%	\$ 13,791	\$ 16,667	\$ (2,876)	-17%	\$ 13,791	\$ 18,523	\$ (4,732)	-26%	
<u>MISC</u>													
509011 Dues & Subscriptions	\$ 2,414	\$ 4,768	\$ (2,354)	-49%	\$ 2,414	\$ 4,768	\$ (2,354)	-49%	\$ 2,414	\$ 38,291	\$ (35,877)	-94%	
509085 Advertising - Rev Product	\$ -	\$ 1,250	\$ (1,250)	-100%	\$ -	\$ 1,250	\$ (1,250)	-100%	\$ -	\$ -	\$ -	0%	
509101 Emp Incentive Prog	\$ 135	\$ 485	\$ (350)	-72%	\$ 135	\$ 485	\$ (350)	-72%	\$ 135	\$ 67	\$ 68	101%	
509124 Employee Training	\$ 1,909	\$ 1,625	\$ 284	17%	\$ 1,909	\$ 1,625	\$ 284	17%	\$ 1,909	\$ (105)	\$ 2,014	-1918%	
509123 Travel	\$ 2,346	\$ 4,348	\$ (2,002)	-46%	\$ 2,346	\$ 4,348	\$ (2,002)	-46%	\$ 2,346	\$ 86	\$ 2,260	2628%	
509125 Local Meeting Exp	\$ 227	\$ 529	\$ (302)	-57%	\$ 227	\$ 529	\$ (302)	-57%	\$ 227	\$ 222	\$ 5	2%	
509127 Board Director Fees	\$ 1,800	\$ 1,100	\$ 700	64%	\$ 1,800	\$ 1,100	\$ 700	64%	\$ 1,800	\$ 1,000	\$ 800	80%	
509150 Contributions	\$ 98	\$ 54	\$ 44	81%	\$ 98	\$ 54	\$ 44	81%	\$ 98	\$ -	\$ 98	0%	
509197 Sales Tax Expense	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ (477)	\$ 477	-100%	
509198 Cash Over/Short	\$ (14)	\$ -	\$ (14)	0%	\$ (14)	\$ -	\$ (14)	0%	\$ (14)	\$ (131)	\$ 117	-89%	
Total Misc -	\$ 8,915	\$ 14,159	\$ (5,244)	-37%	\$ 8,915	\$ 14,159	\$ (5,244)	-37%	\$ 8,915	\$ 38,953	\$ (30,038)	-77%	
<u>LEASES & RENTALS</u>													
512011 Facility Rentals	\$ 63,452	\$ 59,560	\$ 3,892	7%	\$ 63,452	\$ 59,560	\$ 3,892	7%	\$ 63,452	\$ 68,758	\$ (5,306)	-8%	
512061 Equipment Rentals	\$ 5,502	\$ 6,273	\$ (771)	-12%	\$ 5,502	\$ 6,273	\$ (771)	-12%	\$ 5,502	\$ 10,664	\$ (5,162)	-48%	
Total Leases & Rentals -	\$ 68,954	\$ 65,833	\$ 3,121	5%	\$ 68,954	\$ 65,833	\$ 3,121	5%	\$ 68,954	\$ 79,422	\$ (10,468)	-13%	
Total Non-Personnel Expenses -	\$ 483,869	\$ 760,708	\$ (276,839)	-36%	\$ 483,869	\$ 760,708	\$ (276,839)	-36%	\$ 483,869	\$ 563,632	\$ (79,763)	-14%	
TOTAL OPERATING EXPENSE -	\$ 2,542,220	\$ 3,231,506	\$ (689,286)	-21%	\$ 2,542,220	\$ 3,231,506	\$ (689,286)	-21%	\$ 2,542,220	\$ 2,947,572	\$ (405,352)	-14%	

Current Period Notes:

- 1) **Total Personnel Expenses** are below budget due to not being at full complement.
- 2) **Admin & Bank Fees** are below budget due to BOE Sales Tax Admin fee being paid qtrly and the budget spread on 12 even months.

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FY2008
Consolidated Operating Expenses
For the month ending - July 31, 2007

	Current Period				Year to Date				Year to Date				Notes	
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var	Actual FY08	FY07	\$ Var	% Var		
3) Prof & Tech Fees														are below budget. Negotiations for the year will not start until the March 2009 time frame.
4) Temp Help														is over budget due to vacancies and workloads. This item is only budgeted in Admin.
5) Security Services														are under budget due to the budget being straight lined and not knowing when additional security will be needed throughout the year.
6) Fuels & Lube Rev Vehis														under budget. The budget was built on anticipating increased fuel prices for the year.
7) Printing														is under budget due to the Headways publications being printed qtrly and the budget being straight lined for FY08.
8) Gas & Electric														is under budget. Bills did not come in until August.

7.08

FY2008
CAPITAL BUDGET
For the month ending - July 31, 2007

	<u>YTD Actual</u>		<u>FY08 Budget</u>		<u>Remaining Budget</u>	<u>% Spent YTD</u>
<u>Grant-Funded Projects</u>						
MetroBase	\$ 2,685	\$	10,300,000	\$	10,297,315	0%
Purchase 1217 River Street	\$ -	\$	1,237,500	\$	1,237,500	0%
Purchase 1211 River Street	\$ -	\$	775,000	\$	775,000	0%
CNG Bus Conversions (40 Buses)	\$ -	\$	6,800,000	\$	6,800,000	0%
Local Bus Replacement (8)	\$ -	\$	3,400,000	\$	3,400,000	0%
Pacific Station Project	\$ 1,748	\$	2,729,494	\$	2,727,746	0%
H17 Bus Replacement (5)	\$ -	\$	2,262,000	\$	2,262,000	0%
Hwy 17 Wireless (Air District)	\$ -	\$	42,500	\$	42,500	0%
Transmission	\$ -	\$	15,000	\$	15,000	0%
Subtotal Grant Funded Projects	\$ 4,432	\$	27,561,494	\$	27,557,062	0%
<u>District Funded Projects</u>						
<u>IT Projects</u>						
ATP - Hastus Run Time Analysis Program - IT/OPS	\$ -	\$	40,000	\$	40,000	0%
Qquest Time Clocks	\$ -	\$	9,000	\$	9,000	0%
ABS Financial System & Modules	\$ -	\$	8,000	\$	8,000	0%
ABS Laser Printer & Software for Checks	\$ -	\$	7,200	\$	7,200	0%
Laptops (2) Fleet & Finance	\$ -	\$	4,000	\$	4,000	0%
FAS - Fixed Asset Mgmt. Software	\$ -	\$	4,000	\$	4,000	0%
Web Access Control Appliance	\$ -	\$	3,000	\$	3,000	0%
Printer - Ops	\$ -	\$	1,800	\$	1,800	0%
<u>Facilities Repair & Improvements</u>						
Bus Stop Improvements (20 total)	\$ -	\$	164,251	\$	164,251	0%
Bus Stop Improvements (China Grade Turnout) **	\$ -	\$	121,000	\$	121,000	0%
Bus Shelters - LNI	\$ -	\$	45,000	\$	45,000	0%
2-way Radio & Telephone Recording System (Exacom System)	\$ -	\$	30,000	\$	30,000	0%
Reseal Operations Facility Roof	\$ -	\$	25,600	\$	25,600	0%
ParaCruz Vehicle Hoist	\$ -	\$	17,500	\$	17,500	0%
Replace HVAC at ParaCruz Facility	\$ -	\$	14,500	\$	14,500	0%
Repair Parking Lots (Greyhound, Soquel Park & Ride)	\$ -	\$	5,000	\$	5,000	0%
Repair Sidewalks & Bus Lanes (Pacific Station)	\$ -	\$	5,000	\$	5,000	0%
Cubicle Walls (ParaCruz)	\$ -	\$	10,000	\$	10,000	0%
Digital ID Card Processing Equip. for Pacific Station	\$ -	\$	15,000	\$	15,000	0%
Replace Toilets at Pacific Station & (1) Waterless	\$ -	\$	9,600	\$	9,600	0%
Bus Operators Lockers	\$ -	\$	4,800	\$	4,800	0%
Two-way Radio Portable Radio Hand-paks (4)	\$ -	\$	3,500	\$	3,500	0%
Coin Machine Replacement - Pacific Station	\$ -	\$	5,000	\$	5,000	0%
Money Counting Program - OPS	\$ -	\$	2,500	\$	2,500	0%

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FY2008
CAPITAL BUDGET
For the month ending - July 31, 2007

	<u>YTD Actual</u>	<u>FY08 Budget</u>	<u>Remaining Budget</u>	<u>% Spent YTD</u>
<u>Revenue Vehicle Replacement</u>				
Purchase ParaCruz Vans (3)	\$ -	\$ 216,303	\$ 216,303	0%
Rebuild Bus Engines (16 remaining) 1998 Fleet	\$ -	\$ 168,000	\$ 168,000	0%
New John Deere Engines (2)	\$ -	\$ 76,435	\$ 76,435	0%
<u>Non-Revenue Vehicle Replacement</u>				
ParaCruz Staff Car	\$ -	\$ 20,000	\$ 20,000	0%
Facility Service Body Truck (2)	\$ -	\$ 60,000	\$ 60,000	0%
Pickup for Fleet (2)	\$ -	\$ 35,000	\$ 35,000	0%
Hybrid - Admin	\$ -	\$ 30,500	\$ 30,500	0%
Supervisor Vehicle	\$ -	\$ 29,500	\$ 29,500	0%
Shuttle Van	\$ -	\$ 27,500	\$ 27,500	0%
<u>Maint Equipment</u>				
Replace Repeater - Davenport	\$ -	\$ 15,000	\$ 15,000	0%
Wire Welder	\$ -	\$ 2,039	\$ 2,039	0%
Forklift (Purchased from Casey Printing)	\$ -	\$ 1,250	\$ 1,250	0%
<u>Admin</u>				
Purchase & Renovation of Vernon Bldg	\$ 3,878,113	\$ 6,964,902	\$ 3,086,789	56%
Subtotal District Funded Projects	\$ 3,878,113	\$ 8,201,680	\$ 4,323,567	47%
TOTAL CAPITAL PROJECTS	\$ 3,882,546	\$ 35,763,174	\$ 31,880,628	11%

2.0.10

FY2008
CAPITAL BUDGET
For the month ending - July 31, 2007

	<u>YTD Actual</u>	<u>FY08 Budget</u>	<u>Remaining Budget</u>	<u>% Spent YTD</u>
<u>CAPITAL FUNDING</u>				
Federal Capital Grants	\$ 4,432	\$ 3,798,527	\$ 3,794,095	0%
State/Other Capital Grants	\$ -	\$ 12,919,865	\$ 12,919,865	0%
AB 3090	\$ -	\$ 6,363,000	\$ 6,363,000	0%
STA Funding (Current Year & Prior Year Deferred)	\$ 3,878,113	\$ 7,087,337	\$ 3,209,224	55%
Alternative Fuel Conversion Fund	\$ -	\$ 462,000	\$ 462,000	0%
Bus Stop Improvement Reserves	\$ -	\$ 100,000	\$ 100,000	0%
District Reserves	\$ -	\$ 5,032,445	\$ 5,032,445	0%
TOTAL CAPITAL FUNDING	\$ 3,882,546	\$ 35,763,174	\$ 31,880,628	11%

7.2.11

FY2008
Operating Revenue
For the month ending - August 31, 2007

Percent of Year Elapsed - 17%

Revenue Source	Current Period				Year to Date				YTD Year over Year Comparison				Notes
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var	Actual		\$ Var	% Var	
									FY08	FY07			
Passenger Fares	\$ 315,533	\$ 287,507	\$ 28,026	10%	\$ 631,502	\$ 575,014	\$ 56,488	10%	\$ 631,502	\$ 563,709	\$ 67,793	12%	
Paratransit Fares	\$ 19,472	\$ 20,800	\$ (1,328)	-6%	\$ 34,875	\$ 41,600	\$ (6,725)	-16%	\$ 34,875	\$ 39,967	\$ (5,092)	-13%	
Special Transit Fares	\$ 65,908	\$ 235,271	\$ (169,363)	-72%	\$ 133,429	\$ 470,542	\$ (337,113)	-72%	\$ 133,429	\$ 137,082	\$ (3,653)	-3%	
Highway 17 Fares	\$ 64,613	\$ 70,310	\$ (5,697)	-8%	\$ 125,181	\$ 140,620	\$ (15,439)	-11%	\$ 125,181	\$ 122,217	\$ 2,964	2%	
Highway 17 Payments	\$ 46,473	\$ 38,544	\$ 7,929	21%	\$ 96,600	\$ 77,088	\$ 19,512	25%	\$ 96,600	\$ 83,159	\$ 13,441	16%	
Subtotal Passenger Revenue	\$ 511,999	\$ 652,432	\$ (140,433)	-22%	\$ 1,021,587	\$ 1,304,864	\$ (283,277)	-22%	\$ 1,021,587	\$ 946,134	\$ 75,453	8%	1
Commissions	\$ 253	\$ 500	\$ (247)	-49%	\$ 947	\$ 1,000	\$ (53)	-5%	\$ 947	\$ 941	\$ 6	1%	
Advertising Income	\$ 22,308	\$ 12,083	\$ 10,225	85%	\$ 46,569	\$ 24,166	\$ 22,403	93%	\$ 46,569	\$ 45,990	\$ 579	1%	2
Rent Income - SC Pacific Station	\$ 6,337	\$ 7,087	\$ (750)	-11%	\$ 14,474	\$ 14,174	\$ 300	2%	\$ 14,474	\$ 14,248	\$ 226	2%	
Rent Income - Watsonville TC	\$ 4,263	\$ 4,124	\$ 139	3%	\$ 9,016	\$ 8,248	\$ 768	9%	\$ 9,016	\$ 10,138	\$ (1,122)	-11%	
Rent Income - General	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ 3,200	\$ (3,200)	-100%	
Interest Income	\$ 92,885	\$ 89,667	\$ 3,218	4%	\$ 199,374	\$ 179,334	\$ 20,040	11%	\$ 199,374	\$ 201,909	\$ (2,535)	-1%	
Other Non-Transp Revenue	\$ 3,039	\$ 23,583	\$ (20,544)	-87%	\$ 3,538	\$ 47,166	\$ (43,628)	-92%	\$ 3,538	\$ 145,369	\$ (141,831)	-98%	3
Sales Tax Revenue	\$ 1,607,200	\$ 1,468,704	\$ 138,496	9%	\$ 2,812,600	\$ 2,937,408	\$ (124,808)	-4%	\$ 2,812,600	\$ 2,541,900	\$ 270,700	11%	
Transp Dev Act (TDA) - Op Asst	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
FTA Sec 5307 - Op Asst	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
Repay FTA Advance	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
FTA Sec 5311 - Rural Op Asst	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
Transfer from Capital/Proj Mgr	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
Subtotal Revenue	\$ 2,248,284	\$ 2,258,180	\$ (9,896)	0%	\$ 4,108,105	\$ 4,516,360	\$ (408,255)	-9%	\$ 4,108,105	\$ 3,909,829	\$ 198,276	5%	
One-Time Revenue													
Carryover from Previous Year	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
Transfer from Insurance Reserves	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
FTA Sec 5317 - Op Assistance	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
AMBAG Funding	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
Subtotal One-Time Revenue	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
Total Operating Revenue	\$ 2,248,284	\$ 2,258,180	\$ (9,896)	0%	\$ 4,108,105	\$ 4,516,360	\$ (408,255)	-9%	\$ 4,108,105	\$ 3,909,829	\$ 198,276	5%	
Total Operating Expenses	\$ 2,974,703				\$ 5,516,923				\$ 5,516,923	\$ 5,765,509			
Variance	\$ (726,419)				\$ (1,408,818)				\$ (1,408,818)	\$ (1,855,680)			

Current Period Notes:

- 1) Passenger Revenue is below budget for the month and YTD due to straight lining of the budget and school being out. YTD Year over Year comparison shows an 8% increase.
- 2) Advertising Income is over budget for the month and YTD due to more ad revenue than budgeted.
- 3) Other Non-Transp Revenue is behind for the month and YTD due to UTU PERS reimbursement from the County which is collected on a qtrly basis.

7.2
19.61

7.62

FY2008
Operating Expenses by Department
For the month ending - August 31, 2007

	Current Period				Year to Date				Year to Date				Notes
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var	Actual FY08	Actual FY07	\$ Var	% Var	
Departmental Personnel Expenses													
700 - SCCIC	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
1100 - Administration	\$ 79,118	\$ 86,009	\$ (6,891)	-8%	\$ 148,479	\$ 172,018	\$ (23,539)	-14%	\$ 148,479	\$ 151,685	\$ (3,206)	-2%	
1200 - Finance	\$ 47,350	\$ 51,760	\$ (4,410)	-9%	\$ 90,577	\$ 103,520	\$ (12,943)	-13%	\$ 90,577	\$ 74,665	\$ 15,912	21%	
1300 - Customer Service	\$ 36,250	\$ 43,127	\$ (6,877)	-16%	\$ 69,815	\$ 86,254	\$ (16,439)	-19%	\$ 69,815	\$ 68,225	\$ 1,590	2%	
1400 - Human Resources	\$ 39,402	\$ 49,317	\$ (9,915)	-20%	\$ 80,615	\$ 98,634	\$ (18,019)	-18%	\$ 80,615	\$ 71,034	\$ 9,581	13%	
1500 - Information Technology	\$ 40,680	\$ 41,121	\$ (441)	-1%	\$ 79,046	\$ 82,242	\$ (3,196)	-4%	\$ 79,046	\$ 77,121	\$ 1,925	2%	
1700 - District Counsel	\$ 31,880	\$ 38,234	\$ (6,354)	-17%	\$ 60,576	\$ 76,468	\$ (15,892)	-21%	\$ 60,576	\$ 64,110	\$ (3,534)	-6%	
1800 - Risk Management	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
2200 - Facilities Maintenance	\$ 75,271	\$ 85,692	\$ (10,421)	-12%	\$ 144,062	\$ 171,384	\$ (27,322)	-16%	\$ 144,062	\$ 160,193	\$ (16,131)	-10%	
3100 - Paratransit Program	\$ 232,100	\$ 251,796	\$ (19,696)	-8%	\$ 447,942	\$ 503,592	\$ (55,650)	-11%	\$ 447,942	\$ 479,537	\$ (31,595)	-7%	
3200 - Operations	\$ 179,900	\$ 178,655	\$ 1,245	1%	\$ 335,154	\$ 357,310	\$ (22,156)	-6%	\$ 335,154	\$ 356,268	\$ (21,114)	-6%	
3300 - Bus Operators	\$ 1,044,971	\$ 1,153,142	\$ (108,171)	-9%	\$ 1,983,858	\$ 2,306,284	\$ (322,426)	-14%	\$ 1,983,858	\$ 2,158,622	\$ (174,764)	-8%	
4100 - Fleet Maintenance	\$ 333,097	\$ 347,444	\$ (14,347)	-4%	\$ 638,185	\$ 694,888	\$ (56,703)	-8%	\$ 638,185	\$ 606,958	\$ 31,227	5%	
9001 - Cobra Benefits	\$ 749	\$ -	\$ 749	0%	\$ 2,274	\$ -	\$ 2,274	0%	\$ 2,274	\$ (220)	\$ 2,494	-1134%	
9005 - Retired Employee Benefits	\$ 119,510	\$ 144,500	\$ (24,990)	-17%	\$ 238,046	\$ 289,000	\$ (50,954)	-18%	\$ 238,046	\$ 314,758	\$ (76,712)	-24%	
Additional Operating Programs	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
Subtotal Personnel Expenses	\$ 2,260,278	\$ 2,470,797	\$ (210,519)	-9%	\$ 4,318,629	\$ 4,941,594	\$ (622,965)	-13%	\$ 4,318,629	\$ 4,582,956	\$ (264,327)	-6%	
Departmental Non-Personnel Expenses													
700 - SCCIC	\$ -	\$ 42	\$ (42)	-100%	\$ -	\$ 84	\$ (84)	-100%	\$ -	\$ 20	\$ (20)	-100%	
1100 - Administration	\$ 52,091	\$ 72,853	\$ (20,762)	-28%	\$ 97,742	\$ 145,706	\$ (47,964)	-33%	\$ 97,742	\$ 153,844	\$ (56,102)	-36%	
1200 - Finance	\$ 89,919	\$ 68,287	\$ 21,632	32%	\$ 134,617	\$ 136,574	\$ (1,957)	-1%	\$ 134,617	\$ 11,810	\$ 122,807	1040%	
1300 - Customer Service	\$ 17,478	\$ 9,726	\$ 7,752	80%	\$ 18,613	\$ 19,452	\$ (839)	-4%	\$ 18,613	\$ 9,282	\$ 9,331	101%	
1400 - Human Resources	\$ 2,973	\$ 8,131	\$ (5,158)	-63%	\$ 9,701	\$ 16,262	\$ (6,561)	-40%	\$ 9,701	\$ 25,539	\$ (15,838)	-62%	
1500 - Information Technology	\$ 7,550	\$ 13,268	\$ (5,718)	-43%	\$ 19,137	\$ 26,536	\$ (7,399)	-28%	\$ 19,137	\$ 42,038	\$ (22,901)	-54%	
1700 - District Counsel	\$ 1,757	\$ 1,512	\$ 245	16%	\$ 4,562	\$ 3,024	\$ 1,538	51%	\$ 4,562	\$ 4,380	\$ 182	4%	
1800 - Risk Management	\$ 4,114	\$ 20,656	\$ (16,542)	-80%	\$ 8,955	\$ 41,312	\$ (32,357)	-78%	\$ 8,955	\$ 18,130	\$ (9,175)	-51%	
2200 - Facilities Maintenance	\$ 37,736	\$ 44,532	\$ (6,796)	-15%	\$ 67,488	\$ 89,064	\$ (21,576)	-24%	\$ 67,488	\$ 61,451	\$ 6,037	10%	
3100 - Paratransit Program	\$ 79,255	\$ 64,048	\$ 15,207	24%	\$ 131,287	\$ 128,096	\$ 3,191	2%	\$ 131,287	\$ 103,744	\$ 27,543	27%	
3200 - Operations	\$ 43,247	\$ 53,692	\$ (10,445)	-19%	\$ 80,494	\$ 107,384	\$ (26,890)	-25%	\$ 80,494	\$ 98,243	\$ (17,749)	-18%	
3300 - Bus Operators	\$ 23	\$ 750	\$ (727)	-97%	\$ 23	\$ 1,500	\$ (1,477)	-98%	\$ 23	\$ 474	\$ (451)	-95%	
4100 - Fleet Maintenance	\$ 378,855	\$ 403,205	\$ (24,350)	-6%	\$ 626,247	\$ 806,410	\$ (180,163)	-22%	\$ 626,247	\$ 653,593	\$ (27,346)	-4%	
9001 - Cobra Benefits	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
9005 - Retired Employee Benefits	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
Additional Operating Programs	\$ (575)	\$ -	\$ (575)	0%	\$ (575)	\$ -	\$ (575)	0%	\$ (575)	\$ -	\$ (575)	0%	
Subtotal Non-Personnel Expenses	\$ 714,423	\$ 760,702	\$ (46,279)	-6%	\$ 1,198,291	\$ 1,521,404	\$ (323,113)	-21%	\$ 1,198,291	\$ 1,182,548	\$ 15,743	1%	

FY2008
Operating Expenses by Department
For the month ending - August 31, 2007

	Current Period				Year to Date				Year to Date				Notes	
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var	Actual FY08	Actual FY07	\$ Var	% Var		
Total Departmental Expenses														
700 - SCCIC	\$ -	\$ 42	\$ (42)	-100%	\$ -	\$ 84	\$ (84)	-100%	\$ -	\$ 20	\$ (20)	-100%		
1100 - Administration	\$ 131,209	\$ 158,862	\$ (27,653)	-17%	\$ 246,221	\$ 317,724	\$ (71,503)	-23%	\$ 246,221	\$ 305,529	\$ (59,308)	-19%	1	
1200 - Finance	\$ 137,269	\$ 120,047	\$ 17,222	14%	\$ 225,194	\$ 240,094	\$ (14,900)	-6%	\$ 225,194	\$ 86,475	\$ 138,719	160%		
1300 - Customer Service	\$ 53,728	\$ 52,853	\$ 875	2%	\$ 88,428	\$ 105,706	\$ (17,278)	-16%	\$ 88,428	\$ 77,507	\$ 10,921	14%		
1400 - Human Resources	\$ 42,375	\$ 57,448	\$ (15,073)	-26%	\$ 90,316	\$ 114,896	\$ (24,580)	-21%	\$ 90,316	\$ 96,573	\$ (6,257)	-6%		
1500 - Information Technology	\$ 48,230	\$ 54,389	\$ (6,159)	-11%	\$ 98,183	\$ 108,778	\$ (10,595)	-10%	\$ 98,183	\$ 119,159	\$ (20,976)	-18%		
1700 - District Counsel	\$ 33,637	\$ 39,746	\$ (6,109)	-15%	\$ 65,138	\$ 79,492	\$ (14,354)	-18%	\$ 65,138	\$ 68,490	\$ (3,352)	-5%		
1800 - Risk Management	\$ 4,114	\$ 20,656	\$ (16,542)	-80%	\$ 8,955	\$ 41,312	\$ (32,357)	-78%	\$ 8,955	\$ 18,130	\$ (9,175)	-51%		
2200 - Facilities Maintenance	\$ 113,007	\$ 130,224	\$ (17,217)	-13%	\$ 211,550	\$ 260,448	\$ (48,898)	-19%	\$ 211,550	\$ 221,644	\$ (10,094)	-5%	2	
3100 - Paratransit Program	\$ 311,355	\$ 315,844	\$ (4,489)	-1%	\$ 579,229	\$ 631,688	\$ (52,459)	-8%	\$ 579,229	\$ 583,281	\$ (4,052)	-1%	3	
3200 - Operations	\$ 223,147	\$ 232,347	\$ (9,200)	-4%	\$ 415,648	\$ 464,694	\$ (49,046)	-11%	\$ 415,648	\$ 454,511	\$ (38,863)	-9%	4	
3300 - Bus Operators	\$ 1,044,994	\$ 1,153,892	\$ (108,898)	-9%	\$ 1,983,881	\$ 2,307,784	\$ (323,903)	-14%	\$ 1,983,881	\$ 2,159,096	\$ (175,215)	-8%	5	
4100 - Fleet Maintenance	\$ 711,952	\$ 750,649	\$ (38,697)	-5%	\$ 1,264,432	\$ 1,501,298	\$ (236,866)	-16%	\$ 1,264,432	\$ 1,260,551	\$ 3,881	0%	6	
9001 - Cobra Benefits	\$ 749	\$ -	\$ 749	0%	\$ 2,274	\$ -	\$ 2,274	0%	\$ 2,274	\$ (220)	\$ 2,494	-1134%		
9005 - Retired Employee Benefits	\$ 119,510	\$ 144,500	\$ (24,990)	-17%	\$ 238,046	\$ 289,000	\$ (50,954)	-18%	\$ 238,046	\$ 314,758	\$ (76,712)	-24%		
Additional Operating Programs	\$ (575)	\$ -	\$ (575)	0%	\$ (575)	\$ -	\$ (575)	0%	\$ (575)	\$ -	\$ (575)	0%		
Total Operating Expenses	\$ 2,974,701	\$ 3,231,499	\$ (256,798)	-8%	\$ 5,516,920	\$ 6,462,998	\$ (946,078)	-15%	\$ 5,516,920	\$ 5,765,504	\$ (248,584)	-4%		

Current Period Notes:

- 1) **Administration** is under budget due an annual contract paid for in FY07 and Labor negotiations not starting until the March 2009 time frame.
- 2) **Facilities Maintenance** is under budget due to not being at full complement, equipment is typically paid qtrly or annually on contracts. The budget was straight lined since we can not anticipate when these repair costs will be incurred.
- 3) **Paratransit Program** is under budget due to not being at full complement and not incurring services from the Orthopedic Hospital Recertification.
- 4) **Operations** is under budget due to not being at full complement and security expenses lower than anticipated.
- 5) **Bus Operators** is under budget due to not being at full complement.
- 6) **Fleet Maintenance** is under budget due to not being at full complement, fuel costs below estimates, repairs to district property collected to off set fleet repair expenses, and the return of the Aug 110 Vernon rent check due to us buying the facility effective 08/01/07.

7.63

FY2008
Consolidated Operating Expenses
For the month ending - August 31, 2007

	Current Period				Year to Date				Year to Date				Notes
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var	Actual FY08	FY07	\$ Var	% Var	
LABOR													
501011 Bus Operator Pay	\$ 602,609	\$ 687,597	\$ (84,988)	-12%	\$ 1,181,387	\$ 1,375,194	\$ (193,807)	-14%	\$ 1,181,387	\$ 1,124,260	\$ 57,127	5%	
501013 Bus Operator Overtime	\$ 92,993	\$ 102,083	\$ (9,090)	-9%	\$ 152,504	\$ 204,166	\$ (51,662)	-25%	\$ 152,504	\$ 183,069	\$ (30,565)	-17%	
501021 Other Salaries	\$ 503,624	\$ 541,357	\$ (37,733)	-7%	\$ 982,981	\$ 1,082,714	\$ (99,733)	-9%	\$ 982,981	\$ 912,920	\$ 70,061	8%	
501023 Other Overtime	\$ 32,386	\$ 19,684	\$ 12,702	65%	\$ 50,175	\$ 39,368	\$ 10,807	27%	\$ 50,175	\$ 36,580	\$ 13,595	37%	
Total Labor -	\$ 1,231,612	\$ 1,350,721	\$ (119,109)	-9%	\$ 2,367,047	\$ 2,701,442	\$ (334,395)	-12%	\$ 2,367,047	\$ 2,256,829	\$ 110,218	5%	
FRINGE BENEFITS													
502011 Medicare/Soc. Sec.	\$ 17,121	\$ 20,139	\$ (3,018)	-15%	\$ 33,281	\$ 40,278	\$ (6,997)	-17%	\$ 33,281	\$ 30,369	\$ 2,912	10%	
502021 Retirement	\$ 171,093	\$ 185,973	\$ (14,880)	-8%	\$ 337,373	\$ 371,946	\$ (34,573)	-9%	\$ 337,373	\$ 293,830	\$ 43,543	15%	
502031 Medical Insurance	\$ 367,465	\$ 438,530	\$ (71,065)	-16%	\$ 737,705	\$ 877,060	\$ (139,355)	-16%	\$ 737,705	\$ 998,890	\$ (261,185)	-26%	
502041 Dental Insurance	\$ 36,437	\$ 40,928	\$ (4,491)	-11%	\$ 74,656	\$ 81,856	\$ (7,200)	-9%	\$ 74,656	\$ 74,267	\$ 389	1%	
502045 Vision Insurance	\$ 10,777	\$ 11,336	\$ (559)	-5%	\$ 21,461	\$ 22,672	\$ (1,211)	-5%	\$ 21,461	\$ 32,652	\$ (11,191)	-34%	
502051 Life Insurance	\$ 3,811	\$ 4,414	\$ (603)	-14%	\$ 3,811	\$ 8,828	\$ (5,017)	-57%	\$ 3,811	\$ 9,115	\$ (5,304)	-58%	
502060 State Disability	\$ 8,553	\$ 30,599	\$ (22,046)	-72%	\$ 18,291	\$ 61,198	\$ (42,907)	-70%	\$ 18,291	\$ 32,566	\$ (14,275)	-44%	
502061 Disability Insurance	\$ 16,840	\$ 15,926	\$ 914	6%	\$ 33,680	\$ 31,852	\$ 1,828	6%	\$ 33,680	\$ 29,400	\$ 4,280	15%	
502071 State Unemp. Ins	\$ 438	\$ 8,019	\$ (7,581)	-95%	\$ 733	\$ 16,038	\$ (15,305)	-95%	\$ 733	\$ 1,239	\$ (506)	-41%	
502081 Worker's Comp Ins	\$ 136,718	\$ 116,390	\$ 20,328	17%	\$ 170,053	\$ 232,780	\$ (62,727)	-27%	\$ 170,053	\$ 275,031	\$ (104,978)	-38%	
502083 Worker's Comp IBNR	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
502101 Holiday Pay	\$ 19,002	\$ 28,652	\$ (9,650)	-34%	\$ 42,813	\$ 57,304	\$ (14,491)	-25%	\$ 42,813	\$ 39,183	\$ 3,630	9%	
502103 Floating Holiday	\$ 4,970	\$ 5,467	\$ (497)	-9%	\$ 6,960	\$ 10,934	\$ (3,974)	-36%	\$ 6,960	\$ 6,796	\$ 164	2%	
502109 Sick Leave	\$ 54,738	\$ 63,400	\$ (8,662)	-14%	\$ 103,108	\$ 126,800	\$ (23,692)	-19%	\$ 103,108	\$ 59,395	\$ 43,713	74%	
502111 Annual Leave	\$ 167,015	\$ 125,133	\$ 41,882	33%	\$ 333,486	\$ 250,266	\$ 83,220	33%	\$ 333,486	\$ 404,115	\$ (70,629)	-17%	
502121 Other Paid Absence	\$ 5,827	\$ 13,692	\$ (7,865)	-57%	\$ 13,174	\$ 27,384	\$ (14,210)	-52%	\$ 13,174	\$ 32,895	\$ (19,721)	-60%	
502251 Physical Exams	\$ -	\$ 3,019	\$ (3,019)	-100%	\$ 198	\$ 6,038	\$ (5,840)	-97%	\$ 198	\$ 2,310	\$ (2,112)	-91%	
502253 Driver Lic.Renewal	\$ 60	\$ 433	\$ (373)	-86%	\$ 296	\$ 866	\$ (570)	-66%	\$ 296	\$ 395	\$ (99)	-25%	
502999 Other Fringe Benefits	\$ 7,802	\$ 8,027	\$ (225)	-3%	\$ 20,504	\$ 16,054	\$ 4,450	28%	\$ 20,504	\$ 3,680	\$ 16,824	457%	
Total Fringe Benefits -	\$ 1,028,667	\$ 1,120,077	\$ (91,410)	-8%	\$ 1,951,583	\$ 2,240,154	\$ (288,571)	-13%	\$ 1,951,583	\$ 2,326,128	\$ (374,545)	-16%	
Total Personnel Expenses -	\$ 2,260,279	\$ 2,470,798	\$ (210,519)	-9%	\$ 4,318,630	\$ 4,941,596	\$ (622,966)	-13%	\$ 4,318,630	\$ 4,582,957	\$ (264,327)	-6%	

7.84

FY2008
Consolidated Operating Expenses
For the month ending - August 31, 2007

	Current Period				Year to Date				Year to Date				Notes
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var	Actual FY08	FY07	\$ Var	% Var	
SERVICES													
503011 Acctg & Audit Fees	\$ 17,500	\$ 8,354	\$ 9,146	109%	\$ 20,260	\$ 16,708	\$ 3,552	21%	\$ 20,260	\$ 1,000	\$ 19,260	1926%	
503012 Admin & Bank Fees	\$ 916	\$ 19,669	\$ (18,753)	-95%	\$ 1,534	\$ 39,338	\$ (37,804)	-96%	\$ 1,534	\$ 472	\$ 1,062	225%	
503031 Prof & Tech Fees	\$ 1,920	\$ 32,126	\$ (30,206)	-94%	\$ 7,563	\$ 64,252	\$ (56,689)	-88%	\$ 7,563	\$ 59,328	\$ (51,765)	-87%	
503032 Legislative Services	\$ 7,500	\$ 8,084	\$ (584)	-7%	\$ 15,470	\$ 16,168	\$ (698)	-4%	\$ 15,470	\$ 15,775	\$ (305)	-2%	
503033 Legal Services	\$ -	\$ 4,306	\$ (4,306)	-100%	\$ -	\$ 8,612	\$ (8,612)	-100%	\$ -	\$ 884	\$ (884)	-100%	
503034 Pre-Employ Exams	\$ 862	\$ 2,083	\$ (1,221)	-59%	\$ 2,359	\$ 4,166	\$ (1,807)	-43%	\$ 2,359	\$ 3,930	\$ (1,571)	-40%	
503041 Temp Help	\$ 29,820	\$ 1,375	\$ 28,445	2069%	\$ 34,470	\$ 2,750	\$ 31,720	1153%	\$ 34,470	\$ 14,631	\$ 19,839	136%	2
503161 Custodial Services	\$ 4,889	\$ 6,120	\$ (1,231)	-20%	\$ 9,928	\$ 12,240	\$ (2,312)	-19%	\$ 9,928	\$ 11,047	\$ (1,119)	-10%	
503162 Uniform & Laundry	\$ 3,472	\$ 3,743	\$ (271)	-7%	\$ 6,315	\$ 7,486	\$ (1,171)	-16%	\$ 6,315	\$ 5,876	\$ 439	7%	
503171 Security Services	\$ 28,882	\$ 36,994	\$ (8,112)	-22%	\$ 53,406	\$ 73,988	\$ (20,582)	-28%	\$ 53,406	\$ 67,637	\$ (14,231)	-21%	3
503221 Classified/Legal Ads	\$ 2,210	\$ 2,383	\$ (173)	-7%	\$ 3,566	\$ 4,766	\$ (1,200)	-25%	\$ 3,566	\$ 4,642	\$ (1,076)	-23%	
503222 Legal Advertising	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ 33	\$ (33)	-100%	
503225 Graphic Services	\$ -	\$ 1,717	\$ (1,717)	-100%	\$ -	\$ 3,434	\$ (3,434)	-100%	\$ -	\$ -	\$ -	0%	
503351 Repair - Bldg & Impr	\$ 7,025	\$ 3,542	\$ 3,483	98%	\$ 10,434	\$ 7,084	\$ 3,350	47%	\$ 10,434	\$ 7,979	\$ 2,455	31%	
503352 Repair - Equipment	\$ 5,396	\$ 26,236	\$ (20,840)	-79%	\$ 20,254	\$ 52,472	\$ (32,218)	-61%	\$ 20,254	\$ 38,819	\$ (18,565)	-48%	4
503353 Repair - Rev Vehicle	\$ 31,931	\$ 24,255	\$ 7,676	32%	\$ 61,799	\$ 48,510	\$ 13,289	27%	\$ 61,799	\$ 54,075	\$ 7,724	14%	
503354 Repair - Non Rev Vehicle	\$ -	\$ 4,652	\$ (4,652)	-100%	\$ 30	\$ 9,304	\$ (9,274)	-100%	\$ 30	\$ 9,717	\$ (9,687)	-100%	
503363 Haz Mat Disposal	\$ 2,222	\$ 2,042	\$ 180	9%	\$ 3,787	\$ 4,084	\$ (297)	-7%	\$ 3,787	\$ 5,135	\$ (1,348)	-26%	
Total Services -	\$ 144,545	\$ 187,681	\$ (43,136)	-23%	\$ 251,175	\$ 375,362	\$ (124,187)	-33%	\$ 251,175	\$ 300,980	\$ (49,805)	-17%	
MOBILE MATERIALS AND SUPPLIES													
504011 Fuels & Lube Non Rev Veh	\$ 24,721	\$ 10,226	\$ 14,495	142%	\$ 30,327	\$ 20,452	\$ 9,875	48%	\$ 30,327	\$ 12,849	\$ 17,478	136%	
504012 Fuels & Lube Rev Veh	\$ 195,831	\$ 269,649	\$ (73,818)	-27%	\$ 331,067	\$ 539,298	\$ (208,231)	-39%	\$ 331,067	\$ 343,345	\$ (12,278)	-4%	5
504021 Tires & Tubes	\$ 24,796	\$ 18,700	\$ 6,096	33%	\$ 42,736	\$ 37,400	\$ 5,336	14%	\$ 42,736	\$ 35,987	\$ 6,749	19%	
504161 Other Mobile Supplies	\$ 138	\$ 667	\$ (529)	-79%	\$ 648	\$ 1,334	\$ (686)	-51%	\$ 648	\$ 3,288	\$ (2,640)	-80%	
504191 Rev Vehicle Parts	\$ 94,829	\$ 56,800	\$ 38,029	67%	\$ 134,585	\$ 113,600	\$ 20,985	18%	\$ 134,585	\$ 126,107	\$ 8,478	7%	6
Total Mobile Materials & Supplies -	\$ 340,315	\$ 356,042	\$ (15,727)	-4%	\$ 539,363	\$ 712,084	\$ (172,721)	-24%	\$ 539,363	\$ 521,576	\$ 17,787	3%	

7.95

FY2008
Consolidated Operating Expenses
For the month ending - August 31, 2007

	Current Period				Year to Date				Year to Date				Notes
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var	Actual FY08	FY07	\$ Var	% Var	
<u>OTHER MATERIALS & SUPPLIES</u>													
504205 Freight Out	\$ 140	\$ 412	\$ (272)	-66%	\$ 43	\$ 824	\$ (781)	-95%	\$ 43	\$ 644	\$ (601)	-93%	
504211 Postage & Mailing	\$ 2,284	\$ 1,867	\$ 417	22%	\$ 3,919	\$ 3,734	\$ 185	5%	\$ 3,919	\$ 1,697	\$ 2,222	131%	
504214 Promotional Items	\$ -	\$ 2	\$ (2)	-100%	\$ -	\$ 4	\$ (4)	-100%	\$ -	\$ -	\$ -	0%	
504215 Printing	\$ 17,405	\$ 7,401	\$ 10,004	135%	\$ 17,450	\$ 14,802	\$ 2,648	18%	\$ 17,450	\$ 8,261	\$ 9,189	111%	
504217 Photo Supply/Processing	\$ (16)	\$ 754	\$ (770)	-102%	\$ 44	\$ 1,508	\$ (1,464)	-97%	\$ 44	\$ 616	\$ (572)	-93%	
504311 Office Supplies	\$ 9,403	\$ 7,184	\$ 2,219	31%	\$ 17,648	\$ 14,368	\$ 3,280	23%	\$ 17,648	\$ 17,344	\$ 304	2%	
504315 Safety Supplies	\$ 3,867	\$ 1,521	\$ 2,346	154%	\$ 5,493	\$ 3,042	\$ 2,451	81%	\$ 5,493	\$ 1,714	\$ 3,779	220%	
504317 Cleaning Supplies	\$ 6,558	\$ 4,090	\$ 2,468	60%	\$ 8,637	\$ 8,180	\$ 457	6%	\$ 8,637	\$ 3,282	\$ 5,355	163%	
504409 Repair/Maint Supplies	\$ 5,160	\$ 3,750	\$ 1,410	38%	\$ 7,182	\$ 7,500	\$ (318)	-4%	\$ 7,182	\$ 6,961	\$ 221	3%	
504421 Non-Inventory Parts	\$ 3,376	\$ 3,605	\$ (229)	-6%	\$ 6,721	\$ 7,210	\$ (489)	-7%	\$ 6,721	\$ 7,897	\$ (1,176)	-15%	
504511 Small Tools	\$ 508	\$ 824	\$ (316)	-38%	\$ 653	\$ 1,648	\$ (995)	-60%	\$ 653	\$ 1,331	\$ (678)	-51%	
504515 Employee Tool Rplcmt	\$ 22	\$ 215	\$ (193)	-90%	\$ 108	\$ 430	\$ (322)	-75%	\$ 108	\$ 383	\$ (275)	-72%	
Total Other Materials & Supplies -	\$ 48,707	\$ 31,625	\$ 17,082	54%	\$ 67,898	\$ 63,250	\$ 4,648	7%	\$ 67,898	\$ 50,130	\$ 17,768	35%	
<u>UTILITIES</u>													
505011 Gas & Electric	\$ 23,625	\$ 15,151	\$ 8,474	56%	\$ 28,198	\$ 30,302	\$ (2,104)	-7%	\$ 28,198	\$ 31,598	\$ (3,400)	-11%	
505021 Water & Garbage	\$ 9,978	\$ 9,274	\$ 704	8%	\$ 23,146	\$ 18,548	\$ 4,598	25%	\$ 23,146	\$ 19,269	\$ 3,877	20%	
505031 Telecommunications	\$ 10,086	\$ 8,021	\$ 2,065	26%	\$ 14,560	\$ 16,042	\$ (1,482)	-9%	\$ 14,560	\$ 10,981	\$ 3,579	33%	
Total Utilities -	\$ 43,689	\$ 32,446	\$ 11,243	35%	\$ 65,904	\$ 64,892	\$ 1,012	2%	\$ 65,904	\$ 61,848	\$ 4,056	7%	
<u>CASUALTY & LIABILITY</u>													
506011 Insurance - Property	\$ 3,828	\$ 4,678	\$ (850)	-18%	\$ 7,656	\$ 9,356	\$ (1,700)	-18%	\$ 7,656	\$ 6,738	\$ 918	14%	
506015 Insurance - PL & PD	\$ 34,362	\$ 35,000	\$ (638)	-2%	\$ 68,724	\$ 70,000	\$ (1,276)	-2%	\$ 68,724	\$ 84,216	\$ (15,492)	-18%	
506021 Insurance - Other	\$ 59	\$ 151	\$ (92)	-61%	\$ 118	\$ 302	\$ (184)	-61%	\$ 118	\$ 119	\$ (1)	-1%	
506123 Settlement Costs	\$ 4,114	\$ 12,500	\$ (8,386)	-67%	\$ 8,886	\$ 25,000	\$ (16,114)	-64%	\$ 8,886	\$ 4,033	\$ 4,853	120%	
506127 Repairs - Dist Prop	\$ (1,464)	\$ -	\$ (1,464)	0%	\$ (3,516)	\$ -	\$ (3,516)	0%	\$ (3,516)	\$ (87,178)	\$ 83,662	-96%	
Total Casualty & Liability -	\$ 40,899	\$ 52,329	\$ (11,430)	-22%	\$ 81,868	\$ 104,658	\$ (22,790)	-22%	\$ 81,868	\$ 7,928	\$ 73,940	933%	
<u>TAXES</u>													
507051 Fuel Tax	\$ -	\$ 888	\$ (888)	-100%	\$ 1,671	\$ 1,776	\$ (105)	-6%	\$ 1,671	\$ 1,926	\$ (255)	-13%	
507201 Licenses & permits	\$ 5	\$ 980	\$ (975)	-99%	\$ 1,279	\$ 1,960	\$ (681)	-35%	\$ 1,279	\$ -	\$ 1,279	0%	
507999 Other Taxes	\$ -	\$ 2,058	\$ (2,058)	-100%	\$ 1,211	\$ 4,116	\$ (2,905)	-71%	\$ 1,211	\$ 2,485	\$ (1,274)	-51%	
Total Utilities -	\$ 5	\$ 3,926	\$ (3,921)	-100%	\$ 4,161	\$ 7,852	\$ (3,691)	-47%	\$ 4,161	\$ 4,411	\$ (250)	-6%	

756
99%

FY2008
Consolidated Operating Expenses
For the month ending - August 31, 2007

	Current Period				Year to Date				Year to Date				Notes
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var	Actual FY08	FY07	\$ Var	% Var	
<u>PURCHASED TRANSPORTATION</u>													
503406 Contr/Paratrans	\$ 37,102	\$ 16,667	\$ 20,435	123%	\$ 50,893	\$ 33,334	\$ 17,559	53%	\$ 50,893	\$ 37,577	\$ 13,316	35%	7
Total Purchased Transportation -	\$ 37,102	\$ 16,667	\$ 20,435	123%	\$ 50,893	\$ 33,334	\$ 17,559	53%	\$ 50,893	\$ 37,577	\$ 13,316	35%	
<u>MISC</u>													
509011 Dues & Subscriptions	\$ 1,984	\$ 4,768	\$ (2,784)	-58%	\$ 4,398	\$ 9,536	\$ (5,138)	-54%	\$ 4,398	\$ 41,016	\$ (36,618)	-89%	
509085 Advertising - Rev Product	\$ -	\$ 1,250	\$ (1,250)	-100%	\$ -	\$ 2,500	\$ (2,500)	-100%	\$ -	\$ -	\$ -	0%	
509101 Emp Incentive Prog	\$ 78	\$ 485	\$ (407)	-84%	\$ 213	\$ 970	\$ (757)	-78%	\$ 213	\$ 146	\$ 67	46%	
509121 Employee Training	\$ 1,711	\$ 1,625	\$ 86	5%	\$ 3,620	\$ 3,250	\$ 370	11%	\$ 3,620	\$ 9,779	\$ (6,159)	-63%	
509123 Travel	\$ 4,880	\$ 4,348	\$ 532	12%	\$ 7,226	\$ 8,696	\$ (1,470)	-17%	\$ 7,226	\$ 231	\$ 6,995	3028%	
509125 Local Meeting Exp	\$ 286	\$ 529	\$ (243)	-46%	\$ 513	\$ 1,058	\$ (545)	-52%	\$ 513	\$ 418	\$ 95	23%	
509127 Board Director Fees	\$ 1,050	\$ 1,100	\$ (50)	-5%	\$ 2,850	\$ 2,200	\$ 650	30%	\$ 2,850	\$ 1,900	\$ 950	50%	
509150 Contributions	\$ -	\$ 54	\$ (54)	-100%	\$ 98	\$ 108	\$ (10)	-9%	\$ 98	\$ -	\$ 98	0%	
509197 Sales Tax Expense	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ (2,867)	\$ 2,867	-100%	
509198 Cash Over/Short	\$ 86	\$ -	\$ 86	0%	\$ 72	\$ -	\$ 72	0%	\$ 72	\$ (224)	\$ 296	-132%	
Total Misc -	\$ 10,075	\$ 14,159	\$ (4,084)	-29%	\$ 18,990	\$ 28,318	\$ (9,328)	-33%	\$ 18,990	\$ 50,399	\$ (31,409)	-62%	
<u>LEASES & RENTALS</u>													
512011 Facility Rentals	\$ 48,159	\$ 59,560	\$ (11,401)	-19%	\$ 111,611	\$ 119,120	\$ (7,509)	-6%	\$ 111,611	\$ 129,598	\$ (17,987)	-14%	
512061 Equipment Rentals	\$ 928	\$ 6,273	\$ (5,345)	-85%	\$ 6,430	\$ 12,546	\$ (6,116)	-49%	\$ 6,430	\$ 18,105	\$ (11,675)	-64%	
Total Leases & Rentals -	\$ 49,087	\$ 65,833	\$ (16,746)	-25%	\$ 118,041	\$ 131,666	\$ (13,625)	-10%	\$ 118,041	\$ 147,703	\$ (29,662)	-20%	
Total Non-Personnel Expenses -	\$ 714,424	\$ 760,708	\$ (46,284)	-6%	\$ 1,198,293	\$ 1,521,416	\$ (323,123)	-21%	\$ 1,198,293	\$ 1,182,552	\$ 15,741	1%	
TOTAL OPERATING EXPENSE -	\$ 2,974,703	\$ 3,231,506	\$ (256,803)	-8%	\$ 5,516,923	\$ 6,463,012	\$ (946,089)	-15%	\$ 5,516,923	\$ 5,765,509	\$ (248,586)	-4%	

Current Period Notes:

- 1) Total Personnel Expenses are below budget due to not being at full complement.
- 2) Temp Help is over budget due to vacancies and work loads. This item is only budgeted in Admin.
- 3) Security Services are under budget due to the budget being straight lined and not knowing when additional security will be needed throughout the year.

7.67

FY2008
Consolidated Operating Expenses
For the month ending - August 31, 2007

Current Period				Year to Date				Year to Date				Notes
<u>Actual</u>	<u>Budget</u>	<u>\$ Var</u>	<u>% Var</u>	<u>Actual</u>	<u>Budget</u>	<u>\$ Var</u>	<u>% Var</u>	Actual <u>FY08</u>	<u>FY07</u>	<u>\$ Var</u>	<u>% Var</u>	

- 4) **Repair - Equipment** is typically paid qtrly or annually on contracts. The budget was straight lined since we can not anticipate when these costs will be incurred.
- 5) **Fuels & Lube Rev Veh** is under budget. The budget was built on anticipating increased fuel prices for the year.
- 6) **Rev Vehicle Parts** is over budget. The Daimler Chrysler, Orion Liquidated Damages prepaid parts credit was cleared and appeared as a final booked expense entry for \$36K.
- 7) **Contr/Paratrans** is over budget. More than budgeted rides were needed for the month.

7.68

FY2008
CAPITAL BUDGET
For the month ending - August 31, 2007

	<u>YTD Actual</u>	<u>FY08 Budget</u>	<u>Remaining Budget</u>	<u>% Spent YTD</u>
<u>Grant-Funded Projects</u>				
MetroBase	\$ 489,260	\$ 10,300,000	\$ 9,810,740	5%
Purchase 1217 River Street	\$ -	\$ 1,237,500	\$ 1,237,500	0%
Purchase 1211 River Street	\$ -	\$ 775,000	\$ 775,000	0%
CNG Bus Conversions (40 Buses)	\$ -	\$ 6,800,000	\$ 6,800,000	0%
Local Bus Replacement (8)	\$ -	\$ 3,400,000	\$ 3,400,000	0%
Pacific Station Project	\$ 1,940	\$ 2,729,494	\$ 2,727,554	0%
H17 Bus Replacement (5)	\$ -	\$ 2,262,000	\$ 2,262,000	0%
Hwy 17 Wireless (Air District)	\$ -	\$ 42,500	\$ 42,500	0%
Transmission	\$ -	\$ 15,000	\$ 15,000	0%
Subtotal Grant Funded Projects	\$ 491,200	\$ 27,561,494	\$ 27,070,294	2%
<u>District Funded Projects</u>				
<u>IT Projects</u>				
ATP - Hastus Run Time Analysis Program - IT/OPS	\$ -	\$ 40,000	\$ 40,000	0%
Qquest Time Clocks	\$ -	\$ 9,000	\$ 9,000	0%
ABS Financial System & Modules	\$ -	\$ 8,000	\$ 8,000	0%
ABS Laser Printer & Software for Checks	\$ -	\$ 7,200	\$ 7,200	0%
Laptops (2) Fleet & Finance	\$ 1,269	\$ 4,000	\$ 2,731	32%
FAS - Fixed Asset Mgmt. Software	\$ -	\$ 4,000	\$ 4,000	0%
Web Access Control Appliance	\$ -	\$ 3,000	\$ 3,000	0%
Printer - Ops	\$ -	\$ 1,800	\$ 1,800	0%
<u>Facilities Repair & Improvements</u>				
Bus Stop Improvements (20 total)	\$ -	\$ 164,251	\$ 164,251	0%
Bus Stop Improvements (China Grade Turnout) **	\$ 42,670	\$ 121,000	\$ 78,330	35%
Bus Shelters - LNI	\$ -	\$ 45,000	\$ 45,000	0%
2-way Radio & Telephone Recording System (Exacom System)	\$ -	\$ 30,000	\$ 30,000	0%
Reseal Operations Facility Roof	\$ -	\$ 25,600	\$ 25,600	0%
ParaCruz Vehicle Hoist	\$ -	\$ 17,500	\$ 17,500	0%
Replace HVAC at ParaCruz Facility	\$ -	\$ 14,500	\$ 14,500	0%
Repair Parking Lots (Greyhound, Soquel Park & Ride)	\$ -	\$ 5,000	\$ 5,000	0%
Repair Sidewalks & Bus Lanes (Pacific Station)	\$ -	\$ 5,000	\$ 5,000	0%
Cubicle Walls (ParaCruz)	\$ -	\$ 10,000	\$ 10,000	0%
Digital ID Card Processing Equip. for Pacific Station	\$ -	\$ 15,000	\$ 15,000	0%
Replace Toilets at Pacific Station & (1) Waterless	\$ -	\$ 9,600	\$ 9,600	0%
Bus Operators Lockers	\$ -	\$ 4,800	\$ 4,800	0%
Two-way Radio Portable Radio Hand-paks (4)	\$ -	\$ 3,500	\$ 3,500	0%
Coin Machine Replacement - Pacific Station	\$ -	\$ 5,000	\$ 5,000	0%
Money Counting Program - OPS	\$ -	\$ 2,500	\$ 2,500	0%

7.69

FY2008
CAPITAL BUDGET
For the month ending - August 31, 2007

	<u>YTD Actual</u>		<u>FY08 Budget</u>		<u>Remaining Budget</u>	<u>% Spent YTD</u>
<u>Revenue Vehicle Replacement</u>						
Purchase ParaCruz Vans (3)	\$	-	\$ 216,303	\$	216,303	0%
Rebuild Bus Engines (16 remaining) 1998 Fleet	\$	-	\$ 168,000	\$	168,000	0%
New John Deere Engines (2)	\$	-	\$ 76,435	\$	76,435	0%
<u>Non-Revenue Vehicle Replacement</u>						
ParaCruz Staff Car	\$	-	\$ 20,000	\$	20,000	0%
Facility Service Body Truck (2)	\$	-	\$ 60,000	\$	60,000	0%
Pickup for Fleet (2)	\$	-	\$ 35,000	\$	35,000	0%
Hybrid - Admin	\$	-	\$ 30,500	\$	30,500	0%
Supervisor Vehicle	\$	-	\$ 29,500	\$	29,500	0%
Shuttle Van	\$	-	\$ 27,500	\$	27,500	0%
<u>Maint Equipment</u>						
Replace Repeater - Davenport	\$	-	\$ 15,000	\$	15,000	0%
Wire Welder	\$	-	\$ 2,039	\$	2,039	0%
Forklift (Purchased from Casey Printing)	\$	-	\$ 1,250	\$	1,250	0%
<u>Admin</u>						
Purchase & Renovation of Vernon Bldg	\$	3,878,385	\$ 6,964,902	\$	3,086,517	56%
<hr/>						
Subtotal District Funded Projects	\$	3,922,324	\$ 8,201,680	\$	4,279,356	48%
<hr/>						
TOTAL CAPITAL PROJECTS	\$	4,413,524	\$ 35,763,174	\$	31,349,650	12%

7.610

FY2008
CAPITAL BUDGET
For the month ending - August 31, 2007

	<u>YTD Actual</u>	<u>FY08 Budget</u>	<u>Remaining Budget</u>	<u>% Spent YTD</u>
<u>CAPITAL FUNDING</u>				
Federal Capital Grants	\$ 491,200	\$ 3,798,527	\$ 3,307,327	13%
State/Other Capital Grants	\$ -	\$ 12,919,865	\$ 12,919,865	0%
AB 3090	\$ -	\$ 6,363,000	\$ 6,363,000	0%
STA Funding (Current Year & Prior Year Deferred)	\$ 3,922,324	\$ 7,087,337	\$ 3,165,013	55%
Alternative Fuel Conversion Fund	\$ -	\$ 462,000	\$ 462,000	0%
Bus Stop Improvement Reserves	\$ -	\$ 100,000	\$ 100,000	0%
District Reserves	\$ -	\$ 5,032,445	\$ 5,032,445	0%
TOTAL CAPITAL FUNDING	\$ 4,413,524	\$ 35,763,174	\$ 31,349,650	12%

7.6.11

**FY2008
Operating Revenue**

For the month ending - September 30, 2007

Percent of Year Elapsed - 25%

Revenue Source	Current Period				Year to Date				YTD Year over Year Comparison				Notes
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var	FY08 Actual	FY07	\$ Var	% Var	
Passenger Fares	\$ 287,648	\$ 287,507	\$ 141	0%	\$ 919,150	\$ 862,521	\$ 56,629	7%	\$ 919,150	\$ 853,391	\$ 65,759	8%	
Paratransit Fares	\$ 19,578	\$ 20,800	\$ (1,222)	-6%	\$ 54,453	\$ 62,400	\$ (7,947)	-13%	\$ 54,453	\$ 55,888	\$ (1,435)	-3%	
Special Transit Fares	\$ 158,077	\$ 235,271	\$ (77,194)	-33%	\$ 291,506	\$ 705,813	\$ (414,307)	-59%	\$ 291,506	\$ 354,205	\$ (62,699)	-18%	
Highway 17 Fares	\$ 61,607	\$ 70,310	\$ (8,703)	-12%	\$ 186,788	\$ 210,930	\$ (24,142)	-11%	\$ 186,788	\$ 194,645	\$ (7,857)	-4%	
Highway 17 Payments	\$ 29,580	\$ 38,544	\$ (8,964)	-23%	\$ 126,180	\$ 115,632	\$ 10,548	9%	\$ 126,180	\$ 116,732	\$ 9,448	8%	
Subtotal Passenger Revenue	\$ 556,490	\$ 652,432	\$ (95,942)	-15%	\$ 1,578,077	\$ 1,957,296	\$ (379,219)	-19%	\$ 1,578,077	\$ 1,574,861	\$ 3,216	0%	1
Commissions	\$ 514	\$ 500	\$ 14	3%	\$ 1,461	\$ 1,500	\$ (39)	-3%	\$ 1,461	\$ 1,483	\$ (22)	-1%	
Advertising Income	\$ 18,600	\$ 12,083	\$ 6,517	54%	\$ 65,169	\$ 36,249	\$ 28,920	80%	\$ 65,169	\$ 66,775	\$ (1,606)	-2%	2
Rent Income - SC Pacific Station	\$ 1,558	\$ 7,087	\$ (5,529)	-78%	\$ 16,032	\$ 21,261	\$ (5,229)	-25%	\$ 16,032	\$ 22,590	\$ (6,558)	-29%	3
Rent Income - Watsonville TC	\$ 3,393	\$ 4,124	\$ (731)	-18%	\$ 12,409	\$ 12,372	\$ 37	0%	\$ 12,409	\$ 13,469	\$ (1,060)	-8%	
Rent Income - General	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ 4,800	\$ (4,800)	-100%	
Interest Income	\$ 87,763	\$ 89,667	\$ (1,904)	-2%	\$ 287,137	\$ 269,001	\$ 18,136	7%	\$ 287,137	\$ 315,377	\$ (28,240)	-9%	
Other Non-Transp Revenue	\$ 47,368	\$ 23,583	\$ 23,785	101%	\$ 50,906	\$ 70,749	\$ (19,843)	-28%	\$ 50,906	\$ 145,429	\$ (94,523)	-65%	4
Sales Tax Revenue	\$ 1,634,840	\$ 1,468,704	\$ 166,136	11%	\$ 4,447,440	\$ 4,406,112	\$ 41,328	1%	\$ 4,447,440	\$ 4,319,691	\$ 127,749	3%	5
Transp Dev Act (TDA) - Op Asst	\$ 1,590,509	\$ 1,615,509	\$ (25,000)	-2%	\$ 1,590,509	\$ 1,615,509	\$ (25,000)	-2%	\$ 1,590,509	\$ 1,470,209	\$ 120,300	8%	
FTA Sec 5307 - Op Asst	\$ -	\$ 3,877,000	\$ (3,877,000)	-100%	\$ -	\$ 3,877,000	\$ (3,877,000)	-100%	\$ -	\$ -	\$ -	0%	6
Repay FTA Advance	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
FTA Sec 5311 - Rural Op Asst	\$ -	\$ 149,335	\$ (149,335)	-100%	\$ -	\$ 149,335	\$ (149,335)	-100%	\$ -	\$ -	\$ -	0%	7
Transfer from Capital/Proj Mgr	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
Subtotal Revenue	\$ 3,941,035	\$ 7,900,024	\$ (3,958,989)	-50%	\$ 8,049,140	\$ 12,416,384	\$ (4,367,244)	-35%	\$ 8,049,140	\$ 7,934,684	\$ 114,456	1%	
One-Time Revenue													
Carryover from Previous Year			\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
Transfer from Insurance Reserves			\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
FTA Sec 5317 - Op Assistance			\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
AMBAG Funding			\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
Subtotal One-Time Revenue	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
Total Operating Revenue	\$ 3,941,035	\$ 7,900,024	\$ (3,958,989)	-50%	\$ 8,049,140	\$ 12,416,384	\$ (4,367,244)	-35%	\$ 8,049,140	\$ 7,934,684	\$ 114,456	1%	
Total Operating Expenses	\$ 2,531,857				\$ 8,048,780				\$ 8,048,780	\$ 8,384,829			
Variance	\$ 1,409,178				\$ 360				\$ 360	\$ (450,145)			

Current Period Notes:

- 1) **Passenger Revenue** is below budget for the month and YTD due to straight lining of the budget and school being out. YTD Year over Year Comparison is on task.
- 2) **Advertising Income** is over budget for the month and YTD due to more ad revenue than budgeted.
- 3) **Rent Income** - is below budget. Rents are currently billed and received on a cash basis. (Rents for September were paid in August). We will switch to an accrual basis in December which will help even out actuals against budget.
- 4) **Other Non-Transp Revenue** is behind for the month and YTD due to UTU PERS reimbursement from the County which is collected on a qtrly basis.

7.21

FY2008
Operating Revenue
For the month ending - September 30, 2007

Percent of Year Elapsed - 25%

<u>Revenue Source</u>	<u>Current Period</u>				<u>Year to Date</u>				<u>YTD Year over Year Comparison</u>				
	<u>Actual</u>	<u>Budget</u>	<u>\$ Var</u>	<u>% Var</u>	<u>Actual</u>	<u>Budget</u>	<u>\$ Var</u>	<u>% Var</u>	<u>Actual</u>	<u>FY08</u>	<u>FY07</u>	<u>\$ Var</u>	<u>% Var</u>

5) Sales Tax Revenue is above budget for the month due to the qtrly true-up from the State. YTD Year over year, we are 3% ahead of FY07 collections.

6) FTA Sec 5307 - Op Asst is below budget for the month and year to date due to the payments being later than budgeted. Payments came in October.

7) FTA Sec 5311 - Rural Op Asst is below budget for the month and year to date due to delay in application being submitted to CalTrans.

7.02

FY2008
Operating Expenses by Department
For the month ending - September 30, 2007

7.23

	Current Period				Year to Date				Year to Date				Notes
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var	Actual FY08	Actual FY07	\$ Var	% Var	
Departmental Personnel Expenses													
700 - SCCIC	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
1100 - Administration	\$ 68,037	\$ 86,009	\$ (17,972)	-21%	\$ 216,516	\$ 258,027	\$ (41,511)	-16%	\$ 216,516	\$ 221,057	\$ (4,541)	-2%	
1200 - Finance	\$ 40,914	\$ 51,760	\$ (10,846)	-21%	\$ 131,491	\$ 155,280	\$ (23,789)	-15%	\$ 131,491	\$ 111,427	\$ 20,064	18%	
1300 - Customer Service	\$ 30,982	\$ 43,127	\$ (12,145)	-28%	\$ 100,797	\$ 129,381	\$ (28,584)	-22%	\$ 100,797	\$ 97,396	\$ 3,401	3%	
1400 - Human Resources	\$ 34,928	\$ 49,317	\$ (14,389)	-29%	\$ 115,543	\$ 147,951	\$ (32,408)	-22%	\$ 115,543	\$ 97,774	\$ 17,769	18%	
1500 - Information Technology	\$ 40,929	\$ 41,121	\$ (192)	0%	\$ 119,975	\$ 123,363	\$ (3,388)	-3%	\$ 119,975	\$ 111,913	\$ 8,062	7%	
1700 - District Counsel	\$ 30,603	\$ 38,234	\$ (7,631)	-20%	\$ 91,179	\$ 114,702	\$ (23,523)	-21%	\$ 91,179	\$ 95,154	\$ (3,975)	-4%	
1800 - Risk Management	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
2200 - Facilities Maintenance	\$ 63,448	\$ 85,692	\$ (22,244)	-26%	\$ 207,510	\$ 257,076	\$ (49,566)	-19%	\$ 207,510	\$ 228,988	\$ (21,478)	-9%	
3100 - Paratransit Program	\$ 200,604	\$ 251,796	\$ (51,192)	-20%	\$ 648,546	\$ 755,388	\$ (106,842)	-14%	\$ 648,546	\$ 681,595	\$ (33,049)	-5%	
3200 - Operations	\$ 144,814	\$ 178,655	\$ (33,841)	-19%	\$ 479,968	\$ 535,965	\$ (55,997)	-10%	\$ 479,968	\$ 494,894	\$ (14,926)	-3%	
3300 - Bus Operators	\$ 925,470	\$ 1,153,142	\$ (227,672)	-20%	\$ 2,909,328	\$ 3,459,426	\$ (550,098)	-16%	\$ 2,909,328	\$ 3,162,189	\$ (252,861)	-8%	
4100 - Fleet Maintenance	\$ 291,390	\$ 347,444	\$ (56,054)	-16%	\$ 929,575	\$ 1,042,332	\$ (112,757)	-11%	\$ 929,575	\$ 871,183	\$ 58,392	7%	
9001 - Cobra Benefits	\$ 736	\$ -	\$ 736	0%	\$ 3,010	\$ -	\$ 3,010	0%	\$ 3,010	\$ 333	\$ 2,677	804%	
9005 - Retired Employee Benefits	\$ 120,047	\$ 144,500	\$ (24,453)	-17%	\$ 358,093	\$ 433,500	\$ (75,407)	-17%	\$ 358,093	\$ 418,549	\$ (60,456)	-14%	
Additional Operating Programs	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
Subtotal Personnel Expenses	\$ 1,992,902	\$ 2,470,797	\$ (477,895)	-19%	\$ 6,311,531	\$ 7,412,391	\$ (1,100,860)	-15%	\$ 6,311,531	\$ 6,592,452	\$ (280,921)	-4%	

Departmental Non-Personnel Expenses													
700 - SCCIC	\$ 260	\$ 42	\$ 218	519%	\$ 260	\$ 126	\$ 134	106%	\$ 260	\$ 20	\$ 240	1200%	
1100 - Administration	\$ 67,092	\$ 72,853	\$ (5,761)	-8%	\$ 164,834	\$ 218,559	\$ (53,725)	-25%	\$ 164,834	\$ 201,684	\$ (36,850)	-18%	
1200 - Finance	\$ 42,360	\$ 68,287	\$ (25,927)	-38%	\$ 176,977	\$ 204,861	\$ (27,884)	-14%	\$ 176,977	\$ 116,914	\$ 60,063	51%	
1300 - Customer Service	\$ 348	\$ 9,726	\$ (9,378)	-96%	\$ 18,961	\$ 29,178	\$ (10,217)	-35%	\$ 18,961	\$ 22,638	\$ (3,677)	-16%	
1400 - Human Resources	\$ 1,271	\$ 8,131	\$ (6,860)	-84%	\$ 10,972	\$ 24,393	\$ (13,421)	-55%	\$ 10,972	\$ 29,539	\$ (18,567)	-63%	
1500 - Information Technology	\$ 13,992	\$ 13,268	\$ 724	5%	\$ 33,129	\$ 39,804	\$ (6,675)	-17%	\$ 33,129	\$ 47,125	\$ (13,996)	-30%	
1700 - District Counsel	\$ 2,013	\$ 1,512	\$ 501	33%	\$ 6,575	\$ 4,536	\$ 2,039	45%	\$ 6,575	\$ 5,016	\$ 1,559	31%	
1800 - Risk Management	\$ 2,231	\$ 20,656	\$ (18,425)	-89%	\$ 11,186	\$ 61,968	\$ (50,782)	-82%	\$ 11,186	\$ 26,872	\$ (15,686)	-58%	
2200 - Facilities Maintenance	\$ 34,096	\$ 44,532	\$ (10,436)	-23%	\$ 101,584	\$ 133,596	\$ (32,012)	-24%	\$ 101,584	\$ 80,393	\$ 21,191	26%	
3100 - Paratransit Program	\$ 78,869	\$ 64,048	\$ 14,821	23%	\$ 210,156	\$ 192,144	\$ 18,012	9%	\$ 210,156	\$ 146,849	\$ 63,307	43%	
3200 - Operations	\$ 41,602	\$ 53,692	\$ (12,090)	-23%	\$ 122,096	\$ 161,076	\$ (38,980)	-24%	\$ 122,096	\$ 164,462	\$ (42,366)	-26%	
3300 - Bus Operators	\$ 1,330	\$ 750	\$ 580	77%	\$ 1,353	\$ 2,250	\$ (897)	-40%	\$ 1,353	\$ 473	\$ 880	186%	
4100 - Fleet Maintenance	\$ 253,493	\$ 403,205	\$ (149,712)	-37%	\$ 879,740	\$ 1,209,615	\$ (329,875)	-27%	\$ 879,740	\$ 950,388	\$ (70,648)	-7%	
9001 - Cobra Benefits	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
9005 - Retired Employee Benefits	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
Additional Operating Programs	\$ -	\$ -	\$ -	0%	\$ (575)	\$ -	\$ (575)	0%	\$ (575)	\$ -	\$ (575)	0%	
Subtotal Non-Personnel Expenses	\$ 538,957	\$ 760,702	\$ (221,745)	-29%	\$ 1,737,248	\$ 2,282,106	\$ (544,858)	-24%	\$ 1,737,248	\$ 1,792,373	\$ (55,125)	-3%	

FY2008
Operating Expenses by Department
For the month ending - September 30, 2007

	Current Period				Year to Date				Year to Date				Notes	
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var	Actual FY08	FY07	\$ Var	% Var		
Total Departmental Expenses														
700 - SCCIC	\$ 260	\$ 42	\$ 218	519%	\$ 260	\$ 126	\$ 134	106%	\$ 260	\$ 20	\$ 240	1200%		
1100 - Administration	\$ 135,129	\$ 158,862	\$ (23,733)	-15%	\$ 381,350	\$ 476,586	\$ (95,236)	-20%	\$ 381,350	\$ 422,741	\$ (41,391)	-10%	1	
1200 - Finance	\$ 83,274	\$ 120,047	\$ (36,773)	-31%	\$ 308,468	\$ 360,141	\$ (51,673)	-14%	\$ 308,468	\$ 228,341	\$ 80,127	35%		
1300 - Customer Service	\$ 31,330	\$ 52,853	\$ (21,523)	-41%	\$ 119,758	\$ 158,559	\$ (38,801)	-24%	\$ 119,758	\$ 120,034	\$ (276)	0%		
1400 - Human Resources	\$ 36,199	\$ 57,448	\$ (21,249)	-37%	\$ 126,515	\$ 172,344	\$ (45,829)	-27%	\$ 126,515	\$ 127,313	\$ (798)	-1%		
1500 - Information Technology	\$ 54,921	\$ 54,389	\$ 532	1%	\$ 153,104	\$ 163,167	\$ (10,063)	-6%	\$ 153,104	\$ 159,038	\$ (5,934)	-4%		
1700 - District Counsel	\$ 32,616	\$ 39,746	\$ (7,130)	-18%	\$ 97,754	\$ 119,238	\$ (21,484)	-18%	\$ 97,754	\$ 100,170	\$ (2,416)	-2%		
1800 - Risk Management	\$ 2,231	\$ 20,656	\$ (18,425)	-89%	\$ 11,186	\$ 61,968	\$ (50,782)	-82%	\$ 11,186	\$ 26,872	\$ (15,686)	-58%		
2200 - Facilities Maintenance	\$ 97,544	\$ 130,224	\$ (32,680)	-25%	\$ 309,094	\$ 390,672	\$ (81,578)	-21%	\$ 309,094	\$ 309,381	\$ (287)	0%	2	
3100 - Paratransit Program	\$ 279,473	\$ 315,844	\$ (36,371)	-12%	\$ 858,702	\$ 947,532	\$ (88,830)	-9%	\$ 858,702	\$ 828,444	\$ 30,258	4%	3	
3200 - Operations	\$ 186,416	\$ 232,347	\$ (45,931)	-20%	\$ 602,064	\$ 697,041	\$ (94,977)	-14%	\$ 602,064	\$ 659,356	\$ (57,292)	-9%	4	
3300 - Bus Operators	\$ 926,800	\$ 1,153,892	\$ (227,092)	-20%	\$ 2,910,681	\$ 3,461,676	\$ (550,995)	-16%	\$ 2,910,681	\$ 3,162,662	\$ (251,981)	-8%	5	
4100 - Fleet Maintenance	\$ 544,883	\$ 750,649	\$ (205,766)	-27%	\$ 1,809,315	\$ 2,251,947	\$ (442,632)	-20%	\$ 1,809,315	\$ 1,821,571	\$ (12,256)	-1%	6	
9001 - Cobra Benefits	\$ 736	\$ -	\$ 736	0%	\$ 3,010	\$ -	\$ 3,010	0%	\$ 3,010	\$ 333	\$ 2,677	804%		
9005 - Retired Employee Benefits	\$ 120,047	\$ 144,500	\$ (24,453)	-17%	\$ 358,093	\$ 433,500	\$ (75,407)	-17%	\$ 358,093	\$ 418,549	\$ (60,456)	-14%		
Additional Operating Programs	\$ -	\$ -	\$ -	0%	\$ (575)	\$ -	\$ (575)	0%	\$ (575)	\$ -	\$ (575)	0%		
Total Operating Expenses	\$ 2,531,859	\$ 3,231,499	\$ (699,640)	-22%	\$ 8,048,779	\$ 9,694,497	\$ (1,645,718)	-17%	\$ 8,048,779	\$ 8,384,825	\$ (336,046)	-4%		

Current Period Notes:

- 1) **Administration** is under budget due an annual contract paid for in FY07 and Labor negotiations not starting until the March 2009 time frame.
- 2) **Facilities Maintenance** is under budget due to not being at full complement, equipment is typically paid qtrly or annually on contracts
The budget was straight lined since we can not anticipate when these repair costs will be incurred.
- 3) **Paratransit Program** is under budget due to not being at full complement and not incurring services from the Orthopedic Hospital Recertification.
- 4) **Operations** is under budget due to not being at full complement and security expenses lower than anticipated.
- 5) **Bus Operators** is under budget due to not being at full complement.
- 6) **Fleet Maintenance** is under budget due to not being at full complement, fuel costs below estimates, repairs to district property collected to off set fleet repair expenses, and the return of the Aug 110 Vernon rent check due to us buying the facility effective 08/01/07.

702

FY2008
Consolidated Operating Expenses
For the month ending - September 30, 2007

	Current Period				Year to Date				Year to Date				Notes
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var	Actual FY08	FY07	\$ Var	% Var	
LABOR													
501011 Bus Operator Pay	\$ 567,477	\$ 687,597	\$ (120,120)	-17%	\$ 1,748,864	\$ 2,062,791	\$ (313,927)	-15%	\$ 1,748,864	\$ 1,716,379	\$ 32,485	2%	
501013 Bus Operator Overtime	\$ 95,214	\$ 102,083	\$ (6,869)	-7%	\$ 247,718	\$ 306,249	\$ (58,531)	-19%	\$ 247,718	\$ 277,933	\$ (30,215)	-11%	
501021 Other Salaries	\$ 466,935	\$ 541,357	\$ (74,422)	-14%	\$ 1,449,916	\$ 1,624,071	\$ (174,155)	-11%	\$ 1,449,916	\$ 1,361,631	\$ 88,285	6%	
501023 Other Overtime	\$ 21,012	\$ 19,684	\$ 1,328	7%	\$ 71,187	\$ 59,052	\$ 12,135	21%	\$ 71,187	\$ 57,081	\$ 14,106	25%	
Total Labor -	\$ 1,150,638	\$ 1,350,721	\$ (200,083)	-15%	\$ 3,517,685	\$ 4,052,163	\$ (534,478)	-13%	\$ 3,517,685	\$ 3,413,024	\$ 104,661	3%	
FRINGE BENEFITS													
502011 Medicare/Soc. Sec.	\$ 15,306	\$ 20,139	\$ (4,833)	-24%	\$ 48,587	\$ 60,417	\$ (11,830)	-20%	\$ 48,587	\$ 45,360	\$ 3,227	7%	
502021 Retirement	\$ 152,539	\$ 185,973	\$ (33,434)	-18%	\$ 489,912	\$ 557,919	\$ (68,007)	-12%	\$ 489,912	\$ 436,007	\$ 53,905	12%	
502031 Medical Insurance	\$ 386,188	\$ 438,530	\$ (52,342)	-12%	\$ 1,123,893	\$ 1,315,590	\$ (191,697)	-15%	\$ 1,123,893	\$ 1,319,862	\$ (195,969)	-15%	
502041 Dental Insurance	\$ 37,948	\$ 40,928	\$ (2,980)	-7%	\$ 112,604	\$ 122,784	\$ (10,180)	-8%	\$ 112,604	\$ 111,148	\$ 1,456	1%	
502045 Vision Insurance	\$ 10,842	\$ 11,336	\$ (494)	-4%	\$ 32,303	\$ 34,008	\$ (1,705)	-5%	\$ 32,303	\$ 32,684	\$ (381)	-1%	
502051 Life Insurance	\$ 4,006	\$ 4,414	\$ (408)	-9%	\$ 7,817	\$ 13,242	\$ (5,425)	-41%	\$ 7,817	\$ 12,844	\$ (5,027)	-39%	
502060 State Disability	\$ 7,544	\$ 30,599	\$ (23,055)	-75%	\$ 25,835	\$ 91,797	\$ (65,962)	-72%	\$ 25,835	\$ 47,241	\$ (21,406)	-45%	
502061 Disability Insurance	\$ 16,868	\$ 15,926	\$ 942	6%	\$ 50,548	\$ 47,778	\$ 2,770	6%	\$ 50,548	\$ 44,525	\$ 6,023	14%	
502071 State Unemp. Ins	\$ 750	\$ 8,019	\$ (7,269)	-91%	\$ 1,483	\$ 24,057	\$ (22,574)	-94%	\$ 1,483	\$ 1,696	\$ (213)	-13%	
502081 Worker's Comp Ins	\$ 27,497	\$ 116,390	\$ (88,893)	-76%	\$ 197,550	\$ 349,170	\$ (151,620)	-43%	\$ 197,550	\$ 405,671	\$ (208,121)	-51%	
502083 Worker's Comp IBNR	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
502101 Holiday Pay	\$ 9,368	\$ 28,652	\$ (19,284)	-67%	\$ 52,181	\$ 85,956	\$ (33,775)	-39%	\$ 52,181	\$ 51,026	\$ 1,155	2%	
502103 Floating Holiday	\$ 2,017	\$ 5,467	\$ (3,450)	-63%	\$ 8,977	\$ 16,401	\$ (7,424)	-45%	\$ 8,977	\$ 7,401	\$ 1,576	21%	
502109 Sick Leave	\$ 46,503	\$ 63,400	\$ (16,897)	-27%	\$ 149,611	\$ 190,200	\$ (40,589)	-21%	\$ 149,611	\$ 91,354	\$ 58,257	64%	
502111 Annual Leave	\$ 106,456	\$ 125,133	\$ (18,677)	-15%	\$ 439,942	\$ 375,399	\$ 64,543	17%	\$ 439,942	\$ 518,188	\$ (78,246)	-15%	
502121 Other Paid Absence	\$ 10,071	\$ 13,692	\$ (3,621)	-26%	\$ 23,245	\$ 41,076	\$ (17,831)	-43%	\$ 23,245	\$ 45,886	\$ (22,641)	-49%	
502251 Physical Exams	\$ 792	\$ 3,019	\$ (2,227)	-74%	\$ 990	\$ 9,057	\$ (8,067)	-89%	\$ 990	\$ 2,310	\$ (1,320)	-57%	
502253 Driver Lic Renewal	\$ 60	\$ 433	\$ (373)	-86%	\$ 356	\$ 1,299	\$ (943)	-73%	\$ 356	\$ 485	\$ (129)	-27%	
502999 Other Fringe Benefits	\$ 7,511	\$ 8,027	\$ (516)	-6%	\$ 28,015	\$ 24,081	\$ 3,934	16%	\$ 28,015	\$ 5,740	\$ 22,275	388%	
Total Fringe Benefits -	\$ 842,266	\$ 1,120,077	\$ (277,811)	-25%	\$ 2,793,849	\$ 3,360,231	\$ (566,382)	-17%	\$ 2,793,849	\$ 3,179,428	\$ (385,579)	-12%	
Total Personnel Expenses -	\$ 1,992,904	\$ 2,470,798	\$ (477,894)	-19%	\$ 6,311,534	\$ 7,412,394	\$ (1,100,860)	-15%	\$ 6,311,534	\$ 6,592,452	\$ (280,918)	-4%	1

7.65.

FY2008
Consolidated Operating Expenses
For the month ending - September 30, 2007

	Current Period				Year to Date				Year to Date				Notes
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var	Actual FY08	FY07	\$ Var	% Var	
SERVICES													
503011 Acctg & Audit Fees	\$ 1,226	\$ 8,354	\$ (7,128)	-85%	\$ 21,486	\$ 25,062	\$ (3,576)	-14%	\$ 21,486	\$ 17,400	\$ 4,086	23%	
503012 Admin & Bank Fees	\$ 41,324	\$ 19,669	\$ 21,655	110%	\$ 42,858	\$ 59,007	\$ (16,149)	-27%	\$ 42,858	\$ 37,520	\$ 5,338	14%	
503031 Prof & Tech Fees	\$ 24,435	\$ 32,126	\$ (7,691)	-24%	\$ 31,998	\$ 96,378	\$ (64,380)	-67%	\$ 31,998	\$ 68,059	\$ (36,061)	-53%	2
503032 Legislative Services	\$ 7,500	\$ 8,084	\$ (584)	-7%	\$ 22,970	\$ 24,252	\$ (1,282)	-5%	\$ 22,970	\$ 23,275	\$ (305)	-1%	
503033 Legal Services	\$ 74	\$ 4,306	\$ (4,232)	-98%	\$ 74	\$ 12,918	\$ (12,844)	-99%	\$ 74	\$ 1,061	\$ (987)	-93%	
503034 Pre-Employ Exams	\$ 1,323	\$ 2,083	\$ (760)	-36%	\$ 3,682	\$ 6,249	\$ (2,567)	-41%	\$ 3,682	\$ 5,377	\$ (1,695)	-32%	
503041 Temp Help	\$ 2,542	\$ 1,375	\$ 1,167	85%	\$ 37,012	\$ 4,125	\$ 32,887	797%	\$ 37,012	\$ 18,279	\$ 18,733	102%	3
503161 Custodial Services	\$ 5,950	\$ 6,120	\$ (170)	-3%	\$ 15,878	\$ 18,360	\$ (2,482)	-14%	\$ 15,878	\$ 16,102	\$ (224)	-1%	
503162 Uniform & Laundry	\$ 4,354	\$ 3,743	\$ 611	16%	\$ 10,669	\$ 11,229	\$ (560)	-5%	\$ 10,669	\$ 9,696	\$ 973	10%	
503171 Security Services	\$ 27,688	\$ 36,994	\$ (9,306)	-25%	\$ 81,094	\$ 110,982	\$ (29,888)	-27%	\$ 81,094	\$ 123,521	\$ (42,427)	-34%	4
503221 Classified/Legal Ads	\$ 114	\$ 2,383	\$ (2,269)	-95%	\$ 3,680	\$ 7,149	\$ (3,469)	-49%	\$ 3,680	\$ 6,046	\$ (2,366)	-39%	
503222 Legal Advertising	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
503225 Graphic Services	\$ -	\$ 1,717	\$ (1,717)	-100%	\$ -	\$ 5,151	\$ (5,151)	-100%	\$ -	\$ 7,970	\$ (7,970)	-100%	
503351 Repair - Bldg & Impr	\$ 2,543	\$ 3,542	\$ (999)	-28%	\$ 12,977	\$ 10,626	\$ 2,351	22%	\$ 12,977	\$ 9,226	\$ 3,751	41%	
503352 Repair - Equipment	\$ 13,655	\$ 26,236	\$ (12,581)	-48%	\$ 33,909	\$ 78,708	\$ (44,799)	-57%	\$ 33,909	\$ 43,159	\$ (9,250)	-21%	5
503353 Repair - Rev Vehicle	\$ 15,016	\$ 24,255	\$ (9,239)	-38%	\$ 76,815	\$ 72,765	\$ 4,050	6%	\$ 76,815	\$ 72,976	\$ 3,839	5%	
503354 Repair - Non Rev Vehicle	\$ 4,103	\$ 4,652	\$ (549)	-12%	\$ 4,133	\$ 13,956	\$ (9,823)	-70%	\$ 4,133	\$ 9,717	\$ (5,584)	-57%	
503363 Haz Mat Disposal	\$ 5,303	\$ 2,042	\$ 3,261	160%	\$ 9,090	\$ 6,126	\$ 2,964	48%	\$ 9,090	\$ 10,218	\$ (1,128)	-11%	
Total Services -	\$ 157,150	\$ 187,681	\$ (30,531)	-16%	\$ 408,325	\$ 563,043	\$ (154,718)	-27%	\$ 408,325	\$ 479,602	\$ (71,277)	-15%	
MOBILE MATERIALS AND SUPPLIES													
504011 Fuels & Lube Non Rev Veh	\$ 7,867	\$ 10,226	\$ (2,359)	-23%	\$ 38,194	\$ 30,678	\$ 7,516	24%	\$ 38,194	\$ 28,085	\$ 10,109	36%	
504012 Fuels & Lube Rev Veh	\$ 154,906	\$ 269,649	\$ (114,743)	-43%	\$ 485,973	\$ 808,947	\$ (322,974)	-40%	\$ 485,973	\$ 509,860	\$ (23,887)	-5%	6
504021 Tires & Tubes	\$ 9,128	\$ 18,700	\$ (9,572)	-51%	\$ 51,864	\$ 56,100	\$ (4,236)	-8%	\$ 51,864	\$ 44,811	\$ 7,053	16%	
504161 Other Mobile Supplies	\$ 691	\$ 667	\$ 24	4%	\$ 1,339	\$ 2,001	\$ (662)	-33%	\$ 1,339	\$ 4,353	\$ (3,014)	-69%	
504191 Rev Vehicle Parts	\$ 56,629	\$ 56,800	\$ (171)	0%	\$ 191,214	\$ 170,400	\$ 20,814	12%	\$ 191,214	\$ 199,110	\$ (7,896)	-4%	
Total Mobile Materials & Supplies -	\$ 229,221	\$ 356,042	\$ (126,821)	-36%	\$ 768,584	\$ 1,068,126	\$ (299,542)	-28%	\$ 768,584	\$ 786,219	\$ (17,635)	-2%	

7.26

FY2008
Consolidated Operating Expenses
For the month ending - September 30, 2007

	Current Period				Year to Date				Year to Date				Notes
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var	Actual FY08	FY07	\$ Var	% Var	
<u>OTHER MATERIALS & SUPPLIES</u>													
504205 Freight Out	\$ 602	\$ 412	\$ 190	46%	\$ 645	\$ 1,236	\$ (591)	-48%	\$ 645	\$ 762	\$ (117)	-15%	
504211 Postage & Mailing	\$ 590	\$ 1,867	\$ (1,277)	-68%	\$ 4,509	\$ 5,601	\$ (1,092)	-19%	\$ 4,509	\$ 4,159	\$ 350	8%	
504214 Promotional Items	\$ -	\$ 2	\$ (2)	-100%	\$ -	\$ 6	\$ (6)	-100%	\$ -	\$ -	\$ -	0%	
504215 Printing	\$ (995)	\$ 7,401	\$ (8,396)	-113%	\$ 16,455	\$ 22,203	\$ (5,748)	-26%	\$ 16,455	\$ 12,374	\$ 4,081	33%	
504217 Photo Supply/Processing	\$ 147	\$ 754	\$ (607)	-81%	\$ 191	\$ 2,262	\$ (2,071)	-92%	\$ 191	\$ 2,753	\$ (2,562)	-93%	
504311 Office Supplies	\$ 12,708	\$ 7,184	\$ 5,524	77%	\$ 30,356	\$ 21,552	\$ 8,804	41%	\$ 30,356	\$ 20,832	\$ 9,524	46%	
504315 Safety Supplies	\$ 2,462	\$ 1,521	\$ 941	62%	\$ 7,955	\$ 4,563	\$ 3,392	74%	\$ 7,955	\$ 2,039	\$ 5,916	290%	
504317 Cleaning Supplies	\$ 2,572	\$ 4,090	\$ (1,518)	-37%	\$ 11,209	\$ 12,270	\$ (1,061)	-9%	\$ 11,209	\$ 6,284	\$ 4,925	78%	
504409 Repair/Maint Supplies	\$ 2,186	\$ 3,750	\$ (1,564)	-42%	\$ 9,368	\$ 11,250	\$ (1,882)	-17%	\$ 9,368	\$ 8,771	\$ 597	7%	
504421 Non-Inventory Parts	\$ 4,030	\$ 3,605	\$ 425	12%	\$ 10,751	\$ 10,815	\$ (64)	-1%	\$ 10,751	\$ 10,229	\$ 522	5%	
504511 Small Tools	\$ 327	\$ 824	\$ (497)	-60%	\$ 980	\$ 2,472	\$ (1,492)	-60%	\$ 980	\$ 1,504	\$ (524)	-35%	
504515 Employee Tool Rpicmt	\$ -	\$ 215	\$ (215)	-100%	\$ 108	\$ 645	\$ (537)	-83%	\$ 108	\$ 683	\$ (575)	-84%	
Total Other Materials & Supplies -	\$ 24,629	\$ 31,625	\$ (6,996)	-22%	\$ 92,527	\$ 94,875	\$ (2,348)	-2%	\$ 92,527	\$ 70,390	\$ 22,137	31%	
<u>UTILITIES</u>													
505011 Gas & Electric	\$ 11,800	\$ 15,151	\$ (3,351)	-22%	\$ 39,998	\$ 45,453	\$ (5,455)	-12%	\$ 39,998	\$ 40,483	\$ (485)	-1%	
505021 Water & Garbage	\$ 9,817	\$ 9,274	\$ 543	6%	\$ 32,963	\$ 27,822	\$ 5,141	18%	\$ 32,963	\$ 24,675	\$ 8,288	34%	
505031 Telecommunications	\$ 6,665	\$ 8,021	\$ (1,356)	-17%	\$ 21,225	\$ 24,063	\$ (2,838)	-12%	\$ 21,225	\$ 16,898	\$ 4,327	26%	
Total Utilities -	\$ 28,282	\$ 32,446	\$ (4,164)	-13%	\$ 94,186	\$ 97,338	\$ (3,152)	-3%	\$ 94,186	\$ 82,056	\$ 12,130	15%	
<u>CASUALTY & LIABILITY</u>													
506011 Insurance - Property	\$ (3,120)	\$ 4,678	\$ (7,798)	-167%	\$ 4,536	\$ 14,034	\$ (9,498)	-68%	\$ 4,536	\$ 6,401	\$ (1,865)	-29%	
506015 Insurance - PL & PD	\$ -	\$ 35,000	\$ (35,000)	-100%	\$ 68,724	\$ 105,000	\$ (36,276)	-35%	\$ 68,724	\$ 126,324	\$ (57,600)	-46%	7
506021 Insurance - Other	\$ 711	\$ 151	\$ 560	371%	\$ 829	\$ 453	\$ 376	83%	\$ 829	\$ 178	\$ 651	366%	
506123 Settlement Costs	\$ 2,111	\$ 12,500	\$ (10,389)	-83%	\$ 10,997	\$ 37,500	\$ (26,503)	-71%	\$ 10,997	\$ 8,193	\$ 2,804	34%	
506127 Repairs - Dist Prop	\$ 50	\$ -	\$ 50	0%	\$ (3,466)	\$ -	\$ (3,466)	0%	\$ (3,466)	\$ (79,280)	\$ 75,814	-96%	
Total Casualty & Liability -	\$ (248)	\$ 52,329	\$ (52,577)	-100%	\$ 81,620	\$ 156,987	\$ (75,367)	-48%	\$ 81,620	\$ 61,816	\$ 19,804	32%	
<u>TAXES</u>													
507051 Fuel Tax	\$ -	\$ 888	\$ (888)	-100%	\$ 1,671	\$ 2,664	\$ (993)	-37%	\$ 1,671	\$ 4,266	\$ (2,595)	-61%	
507201 Licenses & permits	\$ -	\$ 980	\$ (980)	-100%	\$ 1,279	\$ 2,940	\$ (1,661)	-56%	\$ 1,279	\$ 5	\$ 1,274	25480%	
507999 Other Taxes	\$ -	\$ 2,058	\$ (2,058)	-100%	\$ 1,211	\$ 6,174	\$ (4,963)	-80%	\$ 1,211	\$ 2,485	\$ (1,274)	-51%	
Total Utilities -	\$ -	\$ 3,926	\$ (3,926)	-100%	\$ 4,161	\$ 11,778	\$ (7,617)	-65%	\$ 4,161	\$ 6,756	\$ (2,595)	-38%	

7.27

FY2008
Consolidated Operating Expenses
For the month ending - September 30, 2007

	Current Period				Year to Date				Year to Date				Notes
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var	Actual FY08	FY07	\$ Var	% Var	
<u>PURCHASED TRANSPORTATION</u>													
503406 Contr/Paratrans	\$ 36,917	\$ 16,667	\$ 20,250	121%	\$ 87,810	\$ 50,001	\$ 37,809	76%	\$ 87,810	\$ 36,894	\$ 50,916	138%	8
Total Purchased Transportation -	\$ 36,917	\$ 16,667	\$ 20,250	121%	\$ 87,810	\$ 50,001	\$ 37,809	76%	\$ 87,810	\$ 36,894	\$ 50,916	138%	
<u>MISC</u>													
509011 Dues & Subscriptions	\$ 1,364	\$ 4,768	\$ (3,404)	-71%	\$ 5,762	\$ 14,304	\$ (8,542)	-60%	\$ 5,762	\$ 41,623	\$ (35,861)	-86%	
509085 Advertising - Rev Product	\$ -	\$ 1,250	\$ (1,250)	-100%	\$ -	\$ 3,750	\$ (3,750)	-100%	\$ -	\$ -	\$ -	0%	
509101 Emp Incentive Prog	\$ -	\$ 485	\$ (485)	-100%	\$ 213	\$ 1,455	\$ (1,242)	-85%	\$ 213	\$ 146	\$ 67	46%	
509121 Employee Training	\$ 1,354	\$ 1,625	\$ (271)	-17%	\$ 4,974	\$ 4,875	\$ 99	2%	\$ 4,974	\$ 9,973	\$ (4,999)	-50%	
509123 Travel	\$ 1,814	\$ 4,348	\$ (2,534)	-58%	\$ 9,040	\$ 13,044	\$ (4,004)	-31%	\$ 9,040	\$ 3,014	\$ 6,026	200%	
509125 Local Meeting Exp	\$ 418	\$ 529	\$ (111)	-21%	\$ 931	\$ 1,587	\$ (656)	-41%	\$ 931	\$ 768	\$ 163	21%	
509127 Board Director Fees	\$ 950	\$ 1,100	\$ (150)	-14%	\$ 3,800	\$ 3,300	\$ 500	15%	\$ 3,800	\$ 2,750	\$ 1,050	38%	
509150 Contributions	\$ -	\$ 54	\$ (54)	-100%	\$ 98	\$ 162	\$ (64)	-40%	\$ 98	\$ 240	\$ (142)	-59%	
509197 Sales Tax Expense	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ (4,813)	\$ 4,813	-100%	
509198 Cash Over/Short	\$ (20)	\$ -	\$ (20)	0%	\$ 52	\$ -	\$ 52	0%	\$ 52	\$ (236)	\$ 288	-122%	
Total Misc -	\$ 5,880	\$ 14,159	\$ (8,279)	-58%	\$ 24,870	\$ 42,477	\$ (17,607)	-41%	\$ 24,870	\$ 53,465	\$ (28,595)	-53%	
<u>LEASES & RENTALS</u>													
512011 Facility Rentals	\$ 55,954	\$ 59,559	\$ (3,605)	-6%	\$ 167,565	\$ 178,679	\$ (11,114)	-6%	\$ 167,565	\$ 191,446	\$ (23,881)	-12%	
512061 Equipment Rentals	\$ 1,168	\$ 6,273	\$ (5,105)	-81%	\$ 7,598	\$ 18,819	\$ (11,221)	-60%	\$ 7,598	\$ 23,733	\$ (16,135)	-68%	
Total Leases & Rentals -	\$ 57,122	\$ 65,832	\$ (8,710)	-13%	\$ 175,163	\$ 197,498	\$ (22,335)	-11%	\$ 175,163	\$ 215,179	\$ (40,016)	-19%	
Total Non-Personnel Expenses -	\$ 538,953	\$ 760,707	\$ (221,754)	-29%	\$ 1,737,246	\$ 2,282,123	\$ (544,877)	-24%	\$ 1,737,246	\$ 1,792,377	\$ (55,131)	-3%	
TOTAL OPERATING EXPENSE -	\$ 2,531,857	\$ 3,231,505	\$ (699,648)	-22%	\$ 8,048,780	\$ 9,694,517	\$ (1,645,737)	-17%	\$ 8,048,780	\$ 8,384,829	\$ (336,049)	-4%	

Current Period Notes:

- 1) **Total Personnel Expenses** are below budget due to not being at full complement.
- 2) **Prof & Tech Fees** are below budget. Negotiations for the year will not start until the March 2009 time frame.
- 3) **Temp Help** is over budget due to vacancies and work loads. This item is only budgeted in Admin.

FY2008
Consolidated Operating Expenses
For the month ending - September 30, 2007

Current Period				Year to Date				Year to Date				
<u>Actual</u>	<u>Budget</u>	<u>\$ Var</u>	<u>% Var</u>	<u>Actual</u>	<u>Budget</u>	<u>\$ Var</u>	<u>% Var</u>	<u>FY08</u>	<u>FY07</u>	<u>\$ Var</u>	<u>% Var</u>	<u>Notes</u>

4) **Security Services** are under budget due to the budget being straight lined and not knowing when additional security will be needed throughout the year.

5) **Repair - Equipment** is typically paid qtrly or annually on contracts. The budget was straight lined since we can not anticipate when these costs will be incurred.

6) **Fuels & Lube Rev Veh** is under budget. The budget was built on anticipating increased fuel prices for the year.

7) **Insurance - PL & PD** is under budget. September prepaid insurance entries were inadvertently missed. True-up will happen in October.

8) **Contr/Paratrans** is over budget. More than budgeted rides were needed for the month.

7.09

FY2008
CAPITAL BUDGET
For the month ending - September 30, 2007

	<u>YTD Actual</u>	<u>FY08 Budget</u>	<u>Remaining Budget</u>	<u>% Spent YTD</u>
<u>Grant-Funded Projects</u>				
MetroBase	\$ 672,194	\$ 10,300,000	\$ 9,627,806	7%
Purchase 1217 River Street	\$ -	\$ 1,237,500	\$ 1,237,500	0%
Purchase 1211 River Street	\$ -	\$ 775,000	\$ 775,000	0%
CNG Bus Conversions (40 Buses)	\$ 154,745	\$ 6,800,000	\$ 6,645,255	2%
Local Bus Replacement (8)	\$ -	\$ 3,400,000	\$ 3,400,000	0%
Pacific Station Project	\$ 2,428	\$ 2,729,494	\$ 2,727,066	0%
H17 Bus Replacement (5)	\$ -	\$ 2,262,000	\$ 2,262,000	0%
Hwy 17 Wireless (Air District)	\$ -	\$ 42,500	\$ 42,500	0%
Transmission	\$ -	\$ 15,000	\$ 15,000	0%
Subtotal Grant Funded Projects	\$ 829,367	\$ 27,561,494	\$ 26,732,127	3%

District Funded Projects

IT Projects

ATP - Hastus Run Time Analysis Program - IT/OPS	\$ -	\$ 40,000	\$ 40,000	0%
Qquest Time Clocks	\$ -	\$ 9,000	\$ 9,000	0%
ABS Financial System & Modules	\$ -	\$ 8,000	\$ 8,000	0%
ABS Laser Printer & Software for Checks	\$ -	\$ 7,200	\$ 7,200	0%
Laptops (2) Fleet & Finance	\$ 1,269	\$ 4,000	\$ 2,731	32%
FAS - Fixed Asset Mgmt. Software	\$ -	\$ 4,000	\$ 4,000	0%
Web Access Control Appliance	\$ -	\$ 3,000	\$ 3,000	0%
Printer - Ops	\$ -	\$ 1,800	\$ 1,800	0%

Facilities Repair & Improvements

Bus Stop Improvements (20 total)	\$ -	\$ 164,251	\$ 164,251	0%
Bus Stop Improvements (China Grade Turnout) **	\$ 507	\$ 121,000	\$ 120,493	0%
Bus Shelters - LNI	\$ 42,371	\$ 45,000	\$ 2,629	94%
2-way Radio & Telephone Recording System (Exacom System)	\$ -	\$ 30,000	\$ 30,000	0%
Reseal Operations Facility Roof	\$ -	\$ 25,600	\$ 25,600	0%
ParaCruz Vehicle Hoist	\$ -	\$ 17,500	\$ 17,500	0%
Replace HVAC at ParaCruz Facility	\$ -	\$ 14,500	\$ 14,500	0%
Repair Parking Lots (Greyhound, Soquel Park & Ride)	\$ -	\$ 5,000	\$ 5,000	0%
Repair Sidewalks & Bus Lanes (Pacific Station)	\$ -	\$ 5,000	\$ 5,000	0%
Cubicle Walls (ParaCruz)	\$ -	\$ 10,000	\$ 10,000	0%
Digital ID Card Processing Equip. for Pacific Station	\$ -	\$ 15,000	\$ 15,000	0%
Replace Toilets at Pacific Station & (1) Waterless	\$ -	\$ 9,600	\$ 9,600	0%
Bus Operators Lockers	\$ -	\$ 4,800	\$ 4,800	0%
Two-way Radio Portable Radio Hand-paks (4)	\$ -	\$ 3,500	\$ 3,500	0%
Coin Machine Replacement - Pacific Station	\$ -	\$ 5,000	\$ 5,000	0%
Money Counting Program - OPS	\$ -	\$ 2,500	\$ 2,500	0%









7.210

FY2008
CAPITAL BUDGET
For the month ending - September 30, 2007

	<u>YTD Actual</u>		<u>FY08 Budget</u>		<u>Remaining Budget</u>	<u>% Spent YTD</u>
<u>Revenue Vehicle Replacement</u>						
Purchase ParaCruz Vans (3)	\$	-	\$ 216,303	\$	216,303	0%
Rebuild Bus Engines (16 remaining) 1998 Fleet	\$	-	\$ 168,000	\$	168,000	0%
New John Deere Engines (2)	\$	-	\$ 76,435	\$	76,435	0%
<u>Non-Revenue Vehicle Replacement</u>						
ParaCruz Staff Car	\$	-	\$ 20,000	\$	20,000	0%
Facility Service Body Truck (2)	\$	-	\$ 60,000	\$	60,000	0%
Pickup for Fleet (2)	\$	-	\$ 35,000	\$	35,000	0%
Hybrid - Admin	\$	-	\$ 30,500	\$	30,500	0%
Supervisor Vehicle	\$	-	\$ 29,500	\$	29,500	0%
Shuttle Van	\$	-	\$ 27,500	\$	27,500	0%
<u>Maint Equipment</u>						
Replace Repeater - Davenport	\$	-	\$ 15,000	\$	15,000	0%
Wire Welder	\$	-	\$ 2,039	\$	2,039	0%
Forklift (Purchased from Casey Printing)	\$	1,250	\$ 1,250	\$	-	100%
<u>Admin</u>						
Purchase & Renovation of Vernon Bldg	\$	3,995,385	\$ 6,964,902	\$	2,969,517	57%
<hr/>						
Subtotal District Funded Projects	\$	4,040,782	\$ 8,201,680	\$	4,160,898	49%
<hr/>						
TOTAL CAPITAL PROJECTS	\$	4,870,149	\$ 35,763,174	\$	30,893,025	14%

7.211

FY2008
CAPITAL BUDGET
For the month ending - September 30, 2007

	<u>YTD Actual</u>	<u>FY08 Budget</u>	<u>Remaining Budget</u>	<u>% Spent YTD</u>
<u>CAPITAL FUNDING</u>				
Federal Capital Grants	\$ 829,367	\$ 3,798,527	\$ 2,969,160	22%
State/Other Capital Grants	\$ -	\$ 12,919,865	\$ 12,919,865	0%
AB 3090	\$ -	\$ 6,363,000	\$ 6,363,000	0%
STA Funding (Current Year & Prior Year Deferred)	\$ 4,040,782	\$ 7,087,337	\$ 3,046,555	57%
Alternative Fuel Conversion Fund	\$ -	\$ 462,000	\$ 462,000	0%
Bus Stop Improvement Reserves	\$ -	\$ 100,000	\$ 100,000	0%
District Reserves	\$ -	\$ 5,032,445	\$ 5,032,445	0%
TOTAL CAPITAL FUNDING	\$ 4,870,149	\$ 35,763,174	\$ 30,893,025	14%

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 21, 2007
TO: Board of Directors
FROM: Angela Aitken, Finance Manager
SUBJECT: RESOLUTION REVISING FY08 OPERATING AND CAPITAL BUDGET

I. RECOMMENDED ACTION

Staff recommends that the Board of Directors adopt the attached resolution revising the FY08 operating and capital budget in accordance with Attachment A.

II. SUMMARY OF ISSUES

- An **operating budget** change is necessary as capital revenue was erroneously classified as operating revenue in FY08. This will require:
 - Increasing the FTA Sec 5307 – Operating Assistance by \$198 to reflect actual rates for the year
 - Decreasing the FTA Sec 5307 – Operating Assistance by \$723,646 due to the error
 - Transfer \$723,448 from the capital reserve account to balance the budget.
- There are no changes to the overall budget; it remains the same at \$38,778,000.
- The modifications to the **capital budget** will result in a net increase of \$1,257,880 to fund ten (10) new projects, seven (7) increases in the costs of existing projects, six (6) reductions in projects, and eight (8) removals/deferrals/reallocations of projects. The revised Capital Budget totals \$35,763,175 and will be funded as shown in Attachment C.

III. DISCUSSION

A. Operating Budget

The detailed list of changes to the FY08 operating revenues is shown on Attachment B following the budget resolution. The first revenue change is a slight increase of \$198 to reflect actual rates for the year on the FTA Sec 5307 – Operating Assistance and then a \$723,646 decrease in the same FTA Sec 5307 – Operating Assistance. Capital revenue was erroneously budgeted as operating revenue. As a result, a transfer from the capital reserve account of \$723,448 is needed to balance the budget. The operating expenses are expected to remain the same.

B. Capital Budget

The two (2) largest new capital projects are the purchase of 1217 and 1211 River Street, which the Board has already approved, amounting to \$1,237,500 and \$775,000 respectively.

Additions to the Capital Budget include:

- Scheduling Analysis Module to increase the efficiency of our route scheduling by being able to analyze automated data being collected on the bus run times. This software will automate what two (2) staff members are currently doing by hand.
- Fixed Asset Management Software to replace an in-house database that no longer meets our needs and to fulfill a federal reporting requirement from the Federal Transit Administration Triennial review.
- Bus Shelters to begin to accomplish our shelter replacement plan
- Two (2) Change Machines to replace the aging and broken ones we currently have at Pacific Station
- Coin and Currency Counting equipment for Operations to help curb an increase in cash over and shortages we are seeing in our deposits at the bank due to coin machine malfunctions and the inability for the machines to be mechanically fixed. No replacement parts are available and the new machines will hold a higher volume of coin, which will improve staffing efficiencies.
- ParaCruz Staff vehicle. Currently, staff uses revenue vehicles to go to other locations for meeting and other work related requirements away from their facility in Research Park.
- The purchase of the used forklift from Casey Printing as part of the 110 Vernon Acquisition which the Board has already taken action on.

Increases to the Capital budget include:

- Funds for wireless on the Highway 17 buses to supplement the grant to enable all Highway 17 buses to be wi-fi enabled.
- Additional money needed for eight (8) Local Bus Replacements and five (5) Highway 17 Bus Replacements. These vehicles were purchased under an old Culver City contract and there have been both cost increases and regulatory changes. This is a projection at this time as we are awaiting final pricing.
- The bid to reseal the Operations Facility roof came in \$15,600 more than budgeted. The scope of work was increased after the inspection for the bid yielded more damage than was originally estimated.
- Requirements for the Digital ID Card Processing Equipment came in \$5,000 more than the original estimate, which only included ParaCruz and Metro Center. The increase encompasses a Metro wide implementation of Digital ID cards.
- The bid for the ParaCruz vehicle hoist came in \$2,500 more due to a revision in the type of hoist required.
- Pickups for Fleet came in \$2,000 more than budget due to a change in vehicles. Larger vehicles are required to accommodate the work of the Fleet.

8.2

- The budget for the two (2) John Deere replacement engines came in at \$6,435 more than the original budget due to the original estimate not including sales tax. These engines will be used as swing spares, in case of a major failure, or when the convertibles reach engine overhaul mileages. We will have twenty-nine (29) low floor buses and eleven (11) Highway 17 buses using the John Deere engine by the time the CNG conversion is completed. Since the engines are configured slightly differently for the two fleets, and because we will have 40 of them total in the fleet, two spares are needed.

Reductions in the capital budget include:

- A lower bid on the China Grade project of \$190,000
- A reduction of \$110,500 on bus stop improvements due to less stops being undertaken.
- Reduction in scope contributed to the Slurry Coat parking lots and the Pacific Station sidewalk repair coming in \$5,000 each under budget.
- The acquisition of 110 Vernon Street occurred in FY07 and project can be reduced by \$32,498.

Removals, Deferrals or Reallocations to the capital budget include:

- Reallocation of the use of the Alternative Fuel Conversion Reserve of \$462,000 to increase funding for the eight (8) local bus replacements by \$200,000 and five (5) Highway 17 bus replacements by \$262,000.
- Revenue and non-revenue vehicle replacement, bike racks, an A/C unit for Cavallaro Transit Center, and a diagnostic reader unit were completed and purchased in FY07 at a savings of \$241,181 under budget.
- The phone system upgrade has been deferred until renovations are done at 110 Vernon.
- The Watsonville Transit Center (WTC) and ParaCruz Camera System and Dispatch Console have been deferred awaiting a determination of eligibility for funding under the State Security Bond Program.
- The mobile sweeper and trailer were deleted to fund the bus shelters.
- Due to the delay on the ten (10) bus engine rebuilds, we have deferred \$124,726 to FY09 from this year's capital budget.

Funding for all of these capital projects will be provided through the AB 3090 authorization, (which we will receive reimbursement for in FY09) and additional federal grant funding for the MetroBase Project.

IV. FINANCIAL CONSIDERATIONS

- Adoption of the resolution will leave the revised operating budget unchanged at \$38,778,000, and will increase the capital budget by \$1,257,880.

V. ATTACHMENTS

Attachment A: Resolution Authorizing a Revision to the FY08 Operating & Capital Budget

Attachment B: Recommended Operating Budget Revisions

Attachment C: Recommended Capital Budget Revisions

BEFORE THE BOARD OF DIRECTORS OF THE
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Resolution No. _____

On the Motion of Director _____

Duly Seconded by Director _____

The following Resolution is adopted:

**A RESOLUTION OF THE
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
AUTHORIZING A REVISION TO THE FY08 BUDGET**

WHEREAS, it is necessary to revise the adopted FY08 Budget of the Santa Cruz Metropolitan Transit District to provide for revisions in the operating revenue and capital budget.

NOW, THEREFORE, BE IT RESOLVED, the budget is hereby amended per the attached Attachment B.

PASSED AND ADOPTED this 21st day of December, 2007, by the following vote:

AYES: Directors -

NOES: Directors -

ABSENT: Directors -

ABSTAIN: Directors -

Approved _____

MARCELA TAVANTZIS

Board Chair

ATTEST _____

LESLIE R. WHITE

General Manager

APPROVED AS TO FORM:

MARGARET GALLAGHER

District Counsel

RECOMMENDED OPERATING BUDGET REVISIONS
FY 08
DECEMBER 2007

Attachment **B**

	AMOUNT	TOTALS
<u>OPERATING REVENUE</u>		
Increase FTA Sec 5307 to reflect actual rates	\$ 198	
Decrease FTA Sec 5307 to reflect Capital Revenue erronously budgeted in Operating Revenue	\$ (723,646)	
Transfer from FY08 Capital Reserves	\$ 723,448	
<u>TOTAL</u>		\$ -

Operating Revenue

8,61

RECOMMENDED CAPITAL BUDGET REVISIONS

FY 08

DECEMBER 2007

Attachment 

	AMOUNT	TOTALS
<u>CAPITAL FUNDING</u>		
Add AB 3090 Authorization, reimbursement due in FY09	\$ 6,363,000	
Add federal grant funding (net) for MetroBase Project	\$ 734,181	
Reduce federal grant funding for Rev Vehicle Replacement (Project completed in FY07)	\$ (55,345)	
Reduce state funding for Bike Rack Project (Project completed in FY07)	\$ (6,216)	
Reduce use of District Reserves	\$ (5,777,740)	
TOTAL		\$ 1,257,880
<u>CAPITAL PROJECTS</u>		
<i><u>Grant-Funded Projects:</u></i>		
-Add Purchase 1217 River Street - per Board Action	\$ 1,237,500	
-Add Purchase 1211 River Street - per Board Action	\$ 775,000	
-Reduce CNG Bus Conversions (40 Buses)	\$ (462,000)	
-Increase Local Bus Replacement (8)	\$ 200,000	
-Increase H17 Bus Replacement (5)	\$ 262,000	
-Remove Completed Grant Projects (Rev Veh Repl & Bike Racks)	\$ (76,088)	
-Add funds for Highway 17 wireless	\$ 5,000	
<i><u>IT projects:</u></i>		
-Add ATP - Hastus Run Time New Analysis Module	\$ 40,000	
-Add Sage/FAS - Fixed Asset Mgmt. Software	\$ 4,000	
<i><u>Facilities Repair & Improvements:</u></i>		
-Reduce China Grade per current bid from Granite Construction	\$ (190,000)	
-Reduce Bus Stop Improvements	\$ (110,500)	
-Defer Phone System until Vernon Renovation	\$ (100,000)	
-Defer WTC and ParaCruz Camera System and Dispatch Console requests that may be eligible for Homeland Security Grant Programs	\$ (55,000)	
-Add Bus Shelters - LNI	\$ 45,000	
-Increase amount for Operations Facility Roof	\$ 15,600	
-Add Coin Machine Replacement (2) Pacific Station	\$ 5,000	
-Increase amount for Digital ID cards	\$ 5,000	
-Reduce Slurry Coat Parking Lots	\$ (5,000)	
-Reduce Pacific Station Sidewalk Repair	\$ (5,000)	
-Increase amount for ParaCruz Vehicle Hoist	\$ 2,500	
-Add Coin and Currency Counting Program for Ops	\$ 2,500	
-Remove A/C Unit for SVT (Project completed in FY07)	\$ (2,000)	
<i><u>Revenue Vehicle Replacement:</u></i>		
-Defer Bus Engine Rebuilds (10) until FY09	\$ (124,726)	
-Increase amount for 2 New John Deere Engines	\$ 6,435	
<i><u>Non-Revenue Vehicle Replacement:</u></i>		
-Reallocate funds from Non Revenue Vehicle Replacement (4) and Shuttle Vehicles for Bus Operator Relief (7) to 1211 River Street Purchase	\$ (160,093)	
-Add ParaCruz Staff vehicle	\$ 20,000	
-Increase amount for Pickups for Fleet (2)	\$ 2,000	
<i><u>Maint Equipment:</u></i>		
-Reallocate funds from Mobile Sweeper and Trailer to Bus Shelters from LNI	\$ (45,000)	
-Remove Diagnostic Reader (Purchased in FY07)	\$ (3,000)	
-Add Used Forklift (Purchased from Casey Printing as part of the 110 Vernon Acquisition)	\$ 1,250	
<i><u>Admin Facility:</u></i>		
-Reduce 110 Vernon Acquisition (expended in FY07)	\$ (32,498)	
TOTAL		\$ 1,257,880

8.c.1

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 21, 2007
TO: Board of Directors
FROM: Angela Aitken, Finance Manager
SUBJECT: ACCEPTANCE OF FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS REPORT FOR THE YEAR ENDING JUNE 30, 2007

I. RECOMMENDED ACTION

Staff recommends that the Board of Directors formally accept the audited financial statements and reports prepared by the firm of Brown Armstrong, Certified Public Accountants, for the year ending June 30, 2007.

II. SUMMARY OF ISSUES

- The financial statements and report of the independent certified public accountants (Attachment A) present the District's financial position at June 30, 2007, with a comparison to the position at June 30, 2006. The auditors have found that the District's financial statements present fairly the financial position of the District.
- The auditors found the District to be in compliance with the financial reporting requirements for grants and other financial assistance.
- In the Schedule of Findings and Questioned Costs on page 33, the auditors had no new findings.
- Note 5 -- Available net Assets in the financial statements shows the District's Schedule of Reserve Accounts.
- Four findings from prior years are identified in Attachment C with current year recommendations and management response.

III. DISCUSSION

Attachment A is an "unqualified" opinion on the District's financial statements based on an audit performed by the firm of Brown Armstrong (page 1 of Attachment A). This type of opinion is the highest level of opinion, and indicates that the financial statements are consistent with generally accepted accounting principles for governments in all material respects.

While the financial statements describe the District's financial position in detail, the section **Management's Discussion and Analysis** (pages 3-6) presents highlights of the financial statements and is prepared by District management.

The District's Total Net Assets are \$63,354,570 at June 30, 2007 (page 4), up \$15,570,850 from the prior year. Total Assets increased primarily due to capital additions to Construction in Progress on the MetroBase Service and Fueling Facility and the purchase of two replacement vehicles for fixed route service. Total Liabilities decreased primarily as the result of an incurred but not reported (IBNR) adjustment to the Worker's Compensation accounts.

The Statements of Revenues and Expenses (page 9) indicate a net gain in the amount of \$8,911,455 for the year ending June 30, 2007. Operating Revenue (fares) increased from the prior year by \$1,446,909 due to a 23% increased ridership after the 5-week 2005 UTU strike. All revenues increased from the prior year with the exception of Rental Income due to vacant rental spaces.

The Statements of Operating Expenses (page 25) indicate that the District's total operating expenses decreased by \$3,069,140 or 9% from the prior year. The largest change in operating expense was primarily due to an incurred but not reported (IBNR) adjustment to the Worker's Compensation account that was based on the results of an actuarial valuation and review performed by Bickmore Risk Services in June 2007.

The Statements of Net Assets (pages 7-8) provide an overall summary of the District's position. To determine the amount of available net assets for cash flow and funding capital projects for the next five years, staff has worked with the auditors to develop the schedule in Note 5 (Page 19). At June 30, 2007, this schedule shows total available net assets of \$23,296,587. This leaves a deficit balance of \$1,100,872 in available net assets, which means the five-year capital improvement program is not fully funded.

In the **Schedule of Findings and Questioned Costs** (pages 33-34), the auditors had no Findings Relating to Financial Statements Required Under GAGAS.

Attachment B is a standard letter from Brown Armstrong, which the auditors are required to prepare with information related to the conduct of the audit. The letter defines their responsibilities, significant accounting policies, accounting estimates, and significant audit adjustments, disagreements with management, consultations with other independent accountants, issues discussed prior to retention of independent auditors and difficulties encountered in performing the audit.

Attachment C is the Management Letter from Brown Armstrong. The purpose of the management letter is to detail the auditor's findings and make recommendations to increase efficiency, internal controls and/or financial reporting. It should be noted that the findings and recommendations listed as current year, are actually carried over from the prior year. **There are no new findings for FY07.** All prior year findings have been updated with a current year management response.

- Finding #1 – *The District should perform a ticket reconciliation semi-annually that provides assurance that tickets are properly safeguarded and sales are accurately reported.*
 - Management Response:
 - Meetings have been conducted with the ticketing staff at Metro Center, the Operations Management and the Finance Management. Groundwork and preliminary procedures, forms and policies are being created and tested to insure safeguarding of tickets from receivership from the printing vendor through the sale of the ticket and all aspects in-between. A complete and comprehensive process is anticipated to be in place by Spring of 2008.

- Finding #2 – *The District does not have a strict policy on the type of clothing allowed to be worn in the count room. Employees are allowed to wear shirts and pants with pockets. The wearing of inappropriate clothing in the count room could lead to the possible misappropriation of the District's assets.*
 - Management Response:
 - A draft policy was written in Oct 2007 and is currently being reviewed.

- Finding #3 – *While reviewing the procedures for counting fare box revenues, we noted that the district has one individual that participates in, and supervises, the counting of cash, prepares the daily deposit and has access to the daily revenue reports. The lack of separation of duties could lead to the possible misappropriation of fare box revenues.*
 - Management Response:
 - Groundwork and preliminary procedures, forms and policies are being created and tested to insure safeguarding of all cash received into the count room. Separate individuals prepare and control appropriate reports and forms. A complete and comprehensive process was in place in October 2007. This area is also anticipating moving into a new building in late 2007.

- Finding #4 – *While reviewing the procedures for payroll testing, we noted that the District does not require review of overtime payroll pertaining to the coach operators. The lack of this control could lead to the possible misappropriation of the District's payroll.*
 - Management Response:
 - With the implementation of Qqest (new payroll system), Finance and all timekeeping areas will be able to monitor and pull OT reports on an ongoing, every payroll basis for all departments; including Fixed Route Bus Operators. A copy of this report from the ParaCruz drivers who are currently fully implemented on the Qqest payroll system was given to the auditors this Fall. The department managers receive a copy of this report on an every pay period basis. We are anticipating having all other departments implemented in Qqest by late Spring 2008.

I would like to recognize Debbie Kinslow, Assistant Finance Manager, for her valuable assistance with this year's audit.

IV. FINANCIAL CONSIDERATIONS

There is no fiscal impact from the Board's acceptance of the financial statements and audit reports. However, in order to continue to receive Transportation Development Act (TDA) payments from the Santa Cruz County Regional Transportation Commission, the final audit must be submitted to the Commission.

V. ATTACHMENTS

- Attachment A:** Financial Statements with Independent Auditor's Report for the years ending June 30, 2007 and 2006
- Attachment B:** Letter from Brown Armstrong
- Attachment C:** Agreed Upon Conditions Designed to Increase Efficiency, Internal Controls and/or Financial Reporting (Management Letter)

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2007 AND 2006

9.a.1

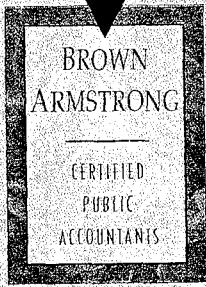


**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
JUNE 30, 2007 AND 2006**

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9.02



BROWN ARMSTRONG
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Eric H. Xin, MBA, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Santa Cruz Metropolitan Transit District
Santa Cruz, California

- Lynn R. Krausse, CPA, MST
Rosalva Flores, CPA
Connie M. Perez, CPA
M. Sharon Jones, CPA, MST
Diana H. Branthoover, CPA
Thomas M. Young, CPA
Alicia Montgomery, CPA, MBA
Matthew R. Gilligan, CPA
Hanna J. Sheppard, CPA
Ryan J. Nielsen, CPA
Jian Ou-Yang, CPA
Ryan S. Johnson, CPA
Michael C. Olivares, CPA
Jialan Su, CPA
Ariadne S. Prunes, CPA

We have audited the accompanying basic financial statements of the Santa Cruz Metropolitan Transit District (the District), as of June 30, 2007 and 2006, 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, 2007 and 2006, 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 November 5, 2007 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.

9.a3

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
November 5, 2007

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007 AND 2006**

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, 2007 and 2006. 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

The District is in the final stage of completion on the MetroBase Service and Fueling Facility located at 1122 River Street, Santa Cruz, and is continuing site work on the 120 Golf Club Drive, Santa Cruz property. The MetroBase project will ultimately bring operations, maintenance, and administration into one cluster of buildings on adjacent sites to provide the needed infrastructure to achieve service expansion goals. The project is a necessary component for providing Compressed Natural Gas (CNG) to the District's fleet. Fueling the District's fleet with CNG, a cleaner fuel source, will comply with the California Air Resource Board (CARB) requirements. The MetroBase project is funded with local, state, and federal funds. Capital additions to the project for the year totaled \$10,862,388.

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2007 AND 2006**

Condensed Statement of Net Assets:

	2007	2006	Increase/(Decrease)	
			Amount	%
Total Assets	\$ 85,616,653	\$ 71,935,684	\$ 13,680,969	19%
Total Liabilities	\$ 22,262,083	\$ 24,151,964	\$ (1,889,881)	-8%
Total Net Assets	\$ 63,354,570	\$ 47,783,720	\$ 15,570,850	33%

Total Assets increased primarily due to capital additions to Construction in Progress on the MetroBase Service and Fueling Facility. Total Liabilities decreased primarily as the result of an incurred but not reported (IBNR) adjustment to the Worker's Compensation accounts.

An increase or decrease in net assets is an indicator of the financial health of the District. For the fiscal year ended June 30, 2007, the District's net assets increased by \$15,570,850 due to capital additions to Construction in Progress related to construction of the Metrobase Service and Fueling Facility, and the purchase of two replacement vehicles for fixed route service.

Condensed Statement of Revenues, Expenses and Change in Fund Net Assets:

	2007	2006	Increase/(Decrease)	
			Amount	%
Operating Revenues	\$ 7,730,499	\$ 6,283,590	\$ 1,446,909	23%
Operating Expenses	(31,952,451)	(35,021,591)	3,069,140	-9%
Operating Loss	(24,221,952)	(28,738,001)	4,516,049	-16%
Non-operating Revenues	33,133,407	27,059,329	6,074,078	22%
Capital Contributions	6,659,395	1,654,961	5,004,434	302%
Increase (Decrease) in Net Assets	\$ 15,570,850	\$ (23,711)	\$ 15,594,561	-65769%

Operating revenue increased 23% due to increased ridership for UC Santa Cruz and Cabrillo College. 2006 Operating Revenue was significantly lower due to the United Transportation Union, Local 23 five-week strike and subsequent loss of riders.

Operating expenses were down 9% primarily due to an incurred but not reported (IBNR) adjustment to the Workers' Compensation account that was based on the results of an actuarial valuation and review performed by Bickmore Risk Services in June 2007. The review concluded that the District's loss rate per \$100 payroll from 1997-98 to 2002-03 ranged between \$6.00 and \$9.00. The projected 2006-07 loss rate of \$3.40 is based on the average of the most recent four years.

Non-operating revenues increased by 22% due to higher sales tax revenue, and more favorable interest income.

Capital contributions are capital grant funds received for purchases of revenue vehicles and facilities improvement. Capital acquisitions were significantly increased by 302% from the prior year due to additions to Construction in Progress related to construction of the MetroBase Service and Fueling Facility, and the purchase of two replacement vehicles for fixed route service.

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2007 AND 2006**

**Supplemental Revenue, Expense and Performance Report:
(based on FTA account grouping guidelines)**

	2007	2006	% Change
Revenues			
Passenger Fares	\$ 7,730,499	\$ 6,283,590	23.0%
Sales and Use Tax	17,652,773	16,583,132	6.5%
State Operating Assistance	3,989,033	-	-
Non-Operating Revenues ⁽¹⁾	2,032,515	1,649,085	23.3%
TDA ⁽²⁾	6,165,834	5,740,612	7.4%
Federal Operating Assistance	3,338,212	3,087,031	8.1%
Total Operating Revenue	\$ 40,908,866	\$ 33,343,450	22.7%
Expenses			
Route Operation	\$ 19,872,415	\$ 19,010,849	4.5%
Vehicle Maintenance	4,811,254	4,855,236	-0.9%
Facilities Maintenance	1,281,359	1,227,780	4.4%
General Administration	6,592,585	6,152,708	7.1%
Total Operating Expense (excluding depreciation)	\$ 32,557,613	\$ 31,246,573	4.2%
Performance Indicators ⁽³⁾			
Total Passengers	5,695,910	4,850,405	17.4%
Revenue Hours	260,099	237,645	9.4%
Revenue Miles	3,685,802	3,400,955	8.4%
Farebox Recovery Ratio	23.7%	20.1%	17.9%
Cost/Passenger	\$ 5.72	\$ 6.44	-11.2%
Cost/Hour	\$ 125.17	\$ 131.48	-4.8%
Cost/Mile	\$ 8.83	\$ 9.19	-3.9%
Full Time Equivalent Employees	318	321	-0.9%
Active Fleet - Fixed Route	115	113	1.8%
Active Fleet - Paratransit	34	33	3.0%

⁽¹⁾ Non-Operating Revenues increased in the interest income area in 2007 due to higher interest rates.

⁽²⁾ Transportation Development Act (TDA) funding constitutes a significant percentage of the District's operating revenues. The sales tax revenue 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 (SCCRTC) 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 and does not include depreciation or current year incurred but not reported (IBNR) Worker's Compensation adjustment.

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2007 AND 2006**

Condensed Statement of Cash Flows:

	<u>2007</u>	<u>2006</u>	<u>Change</u>
Net Cash (Used) in Operating Activities	\$ (24,793,543)	\$ (23,524,607)	\$ (1,268,936)
Net Cash Provided by Non-Capital Financing Activities	32,400,938	24,410,619	7,990,319
Net Cash Provided by (Used) in Capital and Related Financing Activities	(4,919,921)	263,631	(5,183,552)
Net Cash Provided by Non-Transportation Activities	<u>1,469,308</u>	<u>1,217,371</u>	<u>251,937</u>
Net Increase (Decrease) in Cash and Cash Equivalents	4,156,782	2,367,014	1,789,768
Cash and Cash Equivalents, Beginning of Year	<u>31,888,780</u>	<u>29,521,766</u>	<u>2,367,014</u>
Cash and Cash Equivalents, End of Year	<u>\$ 36,045,562</u>	<u>\$ 31,888,780</u>	<u>\$ 4,156,782</u>

Cash and cash equivalents held by the District increased by \$4,156,782 or 13% 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 Angela Aitken, Finance Manager, at 370 Encinal Street, Suite 100, Santa Cruz, CA 95060

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
STATEMENTS OF NET ASSETS
JUNE 30, 2007 AND 2006**

	2007	2006
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 23,924,509	\$ 20,258,964
Sales Tax and Other Receivables	5,861,817	6,026,987
Inventory	994,550	928,026
Prepays	401,478	555,353
Total Current Assets	31,182,354	27,769,330
RESTRICTED ASSETS		
Cash and Cash Equivalents	12,121,053	11,629,816
PROPERTY AND EQUIPMENT		
Building and Improvements	10,486,491	10,452,483
Revenue Vehicles	35,609,181	34,649,265
Operations Equipment	2,818,470	2,687,228
Other Equipment	1,285,123	1,285,123
Other Vehicles	1,153,348	898,514
Office Equipment	1,143,615	1,094,759
	52,496,228	51,067,372
Less Accumulated Depreciation	(32,084,205)	(30,324,213)
	20,412,023	20,743,159
Construction in Progress	15,952,697	4,816,956
Land	5,948,526	6,976,423
Total Property and Equipment	42,313,246	32,536,538
TOTAL ASSETS	\$ 85,616,653	\$ 71,935,684

The accompanying notes are an integral part of these financial statements.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
STATEMENTS OF NET ASSETS (Continued)
JUNE 30, 2007 AND 2006

	2007	2006
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 1,284,299	\$ 1,449,500
Accrued Payroll and Employee Benefits	3,732,012	3,351,093
Workers' Compensation Liabilities	1,022,608	1,378,844
Other Accrued Liabilities	428,619	466,558
Security Deposit	17,884	16,684
Deferred Revenue	4,317	189,500
	6,489,739	6,852,179
LIABILITIES PAYABLE FROM RESTRICTED ASSETS		
Deferred Revenue - Settlement Agreement	7,304,339	7,321,289
Deferred Revenue - STA Grant	4,816,714	4,308,527
LONG-TERM LIABILITIES		
Workers' Compensation Liabilities	3,651,291	5,669,969
	22,262,083	24,151,964
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	42,313,246	32,536,538
Unrestricted Net Assets	21,041,324	15,247,182
	63,354,570	47,783,720
TOTAL LIABILITIES AND NET ASSETS	\$ 85,616,653	\$ 71,935,684

The accompanying notes are an integral part of these financial statements.

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**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>
OPERATING REVENUES		
Passenger Fare	\$ 4,463,020	\$ 3,837,280
Special Transit Fare	<u>3,267,479</u>	<u>2,446,310</u>
Total Operating Revenues	<u>7,730,499</u>	<u>6,283,590</u>
OPERATING EXPENSES		
Wages, Salaries and Employee Benefits	22,978,995	24,659,059
Purchased Transportation Services	200,482	142,892
Material and Supplies	3,455,571	2,954,093
Other Expenses	3,547,649	3,490,530
Depreciation	<u>1,769,754</u>	<u>3,775,017</u>
Total Operating Expenses	<u>31,952,451</u>	<u>35,021,591</u>
Net Operating Loss	<u>(24,221,952)</u>	<u>(28,738,001)</u>
NON-OPERATING REVENUES (EXPENSES)		
Sales and Use Tax	17,652,773	16,583,132
Transportation Development Act Assistance	6,165,834	5,740,612
Section 8/5303 Planning Fund	39,404	-
Section 9/5307 Operating Assistance	3,130,226	3,021,556
Section 18/5307 Operating Assistance	168,582	65,475
Other State Operating Assistance	3,989,033	-
Interest Income	1,327,929	1,035,565
Rental Income	141,379	181,806
Other Revenue	563,207	431,714
Loss on Sale and Disposal of Property, Equipment, and Inventory	<u>(44,960)</u>	<u>(531)</u>
Total Non-Operating Revenues	<u>33,133,407</u>	<u>27,059,329</u>
Net Gain Before Capital Contributions	<u>8,911,455</u>	<u>(1,678,672)</u>
CAPITAL CONTRIBUTIONS		
Grants Restricted for Capital Expenditures	<u>6,659,395</u>	<u>1,654,961</u>
NET ASSETS		
Increase in Net Assets	15,570,850	(23,711)
Total Net Assets, Beginning of Year	<u>47,783,720</u>	<u>47,807,431</u>
Total Net Assets, End of Year	<u>\$ 63,354,570</u>	<u>\$ 47,783,720</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, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts From Customers	\$ 7,459,799	\$ 6,354,890
Payments to Employees	(24,972,990)	(23,676,751)
Payments to Suppliers	<u>(7,280,352)</u>	<u>(6,202,746)</u>
Net Cash Used in Operating Activities	<u>(24,793,543)</u>	<u>(23,524,607)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating Grants Received, Including Sales and Use Tax	32,400,067	23,986,692
Other Nonoperating	<u>871</u>	<u>423,927</u>
Net Cash Provided by Noncapital Financing Activities	<u>32,400,938</u>	<u>24,410,619</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds From Sale of Property and Equipment	1,027,896	1,553
Capital Grants Received	6,626,541	2,732,391
Capital Expenditures	<u>(12,574,358)</u>	<u>(2,470,313)</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(4,919,921)</u>	<u>263,631</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment and Rental Income Received	<u>1,469,308</u>	<u>1,217,371</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,156,782	2,367,014
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>31,888,780</u>	<u>29,521,766</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 36,045,562</u>	<u>\$ 31,888,780</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating Loss	\$ (24,221,952)	\$ (28,738,001)
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
Depreciation	1,769,754	3,775,017
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables	(270,700)	71,300
(Increase) in Inventory	(66,524)	(24,163)
(Increase) Decrease in Prepaid Expenses	153,875	(399,561)
Increase (Decrease) in Accounts Payable	(165,201)	806,314
Increase (Decrease) in Other Liabilities	<u>(1,992,795)</u>	<u>981,308</u>
Net Cash Used in Operating Activities	<u>\$ (24,793,543)</u>	<u>\$ (23,524,607)</u>

The accompanying notes are an integral part of these financial statements.

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006**

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, 2007, the directors were as follows:

Chairperson:	Marcela Tavantzis		
Vice Chair:	Jan Beautz		
Members:	Dale Skillicorn	Michelle Hinkle	Mark Stone
	Mike Rotkin	Emily Reilly	Pat Spence
	Dene Bustichi	Donald Hagen	Kirby Nicol
Ex-Officio:	Donna Blitzer		

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, 2007 and 2006, 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 \$6,659,395 and \$1,654,961 for the fiscal years 2007 and 2006, 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>2007</u>	<u>2006</u>
Cash and Cash Equivalents		
Federal Transit Administration Grant	\$ 7,304,339	\$ 7,321,289
State Transit Assistance Grant	<u>4,816,714</u>	<u>4,308,527</u>
Total Restricted Assets	<u>\$ 12,121,053</u>	<u>\$ 11,629,816</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, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Cash on Hand	\$ 29,121	\$ 44,331
Demand Deposits	289,542	961,462
Deposits in Santa Cruz County Pooled Investment Fund	<u>35,726,899</u>	<u>30,882,987</u>
	<u>\$ 36,045,562</u>	<u>\$ 31,888,780</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	\$ 35,726,899	\$ 35,726,899	\$ -	\$ -	\$ -

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, 2007 or 2006.

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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	\$ 35,726,899	N/A	\$ -	\$ -	\$ -	\$ 35,726,899

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, 2007 or 2006.

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.

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NOTE 3 – RECEIVABLES

Receivables at June 30, are as follows.

	<u>2007</u>	<u>2006</u>
Federal Grants	\$ 796,879	\$ 1,156,558
State Grants	1,071,150	409,336
Sales Tax Revenue	2,812,600	2,541,900
Other	1,181,188	1,919,193
	<u>\$ 5,861,817</u>	<u>\$ 6,026,987</u>

NOTE 4 – CHANGES IN CAPITAL ASSETS

Facilities, property and equipment at June 30, are summarized as follows:

June 30, 2007

	<u>Balance July 1, 2006</u>	<u>Additions and Transfers</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2007</u>
Non Depreciated Assets				
Land	\$ 6,976,423	\$ -	\$ (1,027,897)	\$ 5,948,526
Construction-in-Progress	4,816,956	11,135,741	-	15,952,697
Total Non Depreciated Assets	11,793,379	11,135,741	(1,027,897)	21,901,223
Depreciated Assets				
Building and Improvements	10,452,483	34,008	-	10,486,491
Revenue Vehicles	34,649,265	959,916	-	35,609,181
Operations Equipment	2,687,228	132,559	(1,317)	2,818,470
Other Equipment	1,285,123	-	-	1,285,123
Other Vehicles	898,514	254,834	-	1,153,348
Office Equipment	1,094,759	57,299	(8,443)	1,143,615
Total Depreciated Assets	51,067,372	1,438,616	(9,760)	52,496,228
Less Accumulated Depreciation	<u>(30,324,213)</u>	<u>(1,769,752)</u>	<u>9,760</u>	<u>(32,084,205)</u>
Depreciated Assets Net of Accumulated Depreciation	<u>20,743,159</u>	<u>(331,136)</u>	<u>-</u>	<u>20,412,023</u>
Total	<u>\$ 32,536,538</u>	<u>\$ 10,804,605</u>	<u>\$ (1,027,897)</u>	<u>\$ 42,313,246</u>

Depreciation expense at June 30, 2007 was \$1,769,752.

NOTE 4 – CHANGES IN CAPITAL ASSETS (Continued)

June 30, 2006

	Balance July 1, 2005	Additions and Transfers	Retirements and Transfers	Balance June 30, 2006
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	(26,845,932)	(3,775,017)	296,736	(30,324,213)
Depreciated Assets Net of Accumulated Depreciation	24,116,189	(3,381,493)	8,463	20,743,159
Total	\$ 33,845,974	\$ (1,317,899)	\$ 8,463	\$ 32,536,538

Depreciation expense at June 30, 2006 was \$3,775,017.

NOTE 5 – AVAILABLE NET ASSETS

An analysis of the District's available (undesigned) net assets at June 30, follows:

	2007	2006
Current Assets	\$ 31,182,354	\$ 27,769,330
Current Liabilities	(6,489,739)	(6,852,179)
Working Capital	24,692,615	20,917,151
Less:		
Inventory	(994,550)	(928,026)
Prepaid Expenses	(401,478)	(555,353)
Total Available Net Assets	23,296,587	19,433,772
Net Assets Designated for the Following:		
Cash Flow	(5,225,000)	(2,600,000)
Workers' Compensation Reserve	(2,142,304)	(2,075,940)
110 Vernon Purchase - Renovation	(1,000,000)	-
Insurance Reserve	(750,000)	(947,229)
Alternative Fuel Conversion Fund	(462,000)	(462,000)
Bus Stop Improvements Reserve	(400,000)	(400,000)
Carryover for Fiscal Year 2007-2008 Operating Budget	(911,228)	(649,817)
Carryover for Sales Tax-Based UTU Wage Adjustment	(256,137)	(77,697)
Net Assets Required to Fund Transportation Improvement Programs for the Fiscal Years 2008-2012	(13,250,790)	(13,969,000)
Available Undesignated Net Assets (Deficits)	\$ (1,100,872)	\$ (1,747,911)

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>2007</u>	<u>2006</u>
Federal Grants	\$ 4,753,898	\$ 1,650,311
State Grants	1,218,835	4,650
Local Grants	<u>686,662</u>	<u>-</u>
Total Capital Assistance	<u>\$ 6,659,395</u>	<u>\$ 1,654,961</u>

NOTE 7 – COMMITMENTS

The District leases a number of its facilities under operating leases extending through 2010. For the years ended June 30, 2007 and 2006, rental expense relating to the leases was \$765,219 and \$737,829, 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>
2008	\$ 692,211	\$ 130,833	\$ 561,378
2009	692,179	116,708	575,471
2010	154,178	96,028	58,150
2011	<u>21,697</u>	<u>12,973</u>	<u>8,724</u>
	<u>\$ 1,560,265</u>	<u>\$ 356,542</u>	<u>\$ 1,203,723</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>2007</u>	<u>2006</u>
Total Assets	\$ 19,349,480	\$ 17,939,280
Total Liabilities	<u>7,390,394</u>	<u>10,040,898</u>
Fund Balance	<u>\$ 11,959,086</u>	<u>\$ 7,898,382</u>
Total Revenues	\$ 8,626,160	\$ 8,100,305
Total Expenditures	<u>4,565,456</u>	<u>4,046,696</u>
Net Increase in Fund Balance	<u>\$ 4,060,704</u>	<u>\$ 4,053,609</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 \$7,304,339 and \$7,321,289 is reflected on the statements of net assets as deferred revenue at June 30, 2007 and 2006, 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 318 active plan members in the Fund as of June 30, 2007, 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 formulas negotiated in their labor agreements. 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, 2007 was 11.98%. 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, 2007, the District's annual pension cost of \$1,791,125 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, 2007 was determined as part of the June 30, 2005 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>
6/30/2005	\$ 1,392,098	100%	\$ -
6/30/2006	\$ 1,800,967	100%	\$ -
6/30/2007	\$ 1,791,125	100%	\$ -

9.24

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:

<u>Valuation Date</u>	<u>Entry Age Normal Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded/ (Overfunded) Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
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%
6/30/2005	\$ 74,915,137	\$65,041,527	\$ 9,873,610	86.8%	\$14,935,163	66.1%

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 \$1,358,022 and \$1,100,476 of expense for these benefits for the years ending June 30, 2007 and 2006, 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, 2007, 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 12, 2007. 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>2007</u>	<u>2006</u>
Unpaid Claims, Beginning of Fiscal Year	\$ 7,048,813	\$ 6,422,936
Incurred Claims (Including IBNR's)	(3,204,473)	475,224
Claim Payments	<u>829,560</u>	<u>150,653</u>
Unpaid Claims, End of Fiscal Year	<u>\$ 4,673,900</u>	<u>\$ 7,048,813</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 August 1, 2007, the District purchased property at 110 Vernon Street in Santa Cruz, California for \$4,038,976.

SUPPLEMENTARY INFORMATION

9.927

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
STATEMENTS OF OPERATING EXPENSES
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>
Labor		
Operators' salaries and wages	\$ 7,260,939	\$ 6,453,163
Other salaries and wages	5,521,525	4,979,939
Overtime	1,527,481	1,792,415
 Fringe Benefits		
Absence with pay	2,980,676	3,152,479
Pension plans	1,791,125	1,800,967
Vision, medical, and dental plans	4,901,050	4,376,694
Workers' compensation insurance	(1,554,789)	1,587,745
Disability insurance	332,785	353,466
Other fringe benefits	218,203	162,191
 Services		
Accounting	71,716	54,869
Administrative and banking	156,778	204,987
Professional and technical services	399,064	461,007
Security	392,183	435,724
Outside repairs	398,714	304,913
Other services	175,385	141,049
 Materials and Supplies Consumed		
Fuels and lubricants	2,223,764	1,923,832
Tires and tubes	187,683	159,324
Vehicle parts	695,062	547,291
Other materials and supplies	349,062	323,646
 Utilities	354,487	321,561
 Casualty and Liability Costs	547,738	665,125
 Taxes and Licenses	41,039	36,287
 Purchased Transportation Services		
Paratransit	200,482	142,892
 Miscellaneous Expenses	164,830	87,568
 Equipment and Facility Lease	845,715	777,440
 Depreciation		
Property acquired with operator funds	311,293	653,897
Property acquired by federal, state, or TDA funds	1,458,461	3,121,120
 Total Operating Expenses	<u>\$ 31,952,451</u>	<u>\$ 35,021,591</u>

OTHER SCHEDULES AND REPORTS

9.024

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007**

<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			
Land Acquisition	20 500*	CA-03-0413	\$ 208
Construction	20 500*	CA-03-0505	1,498,673
Fixed Route Buses	20 500*	CA-03-0505	<u>680,447</u>
			<u>2,179,328</u>
Section 9/5307			
Bicycle Transportation	20 507*	BTA -04-05 SCR	75,701
Metrobase Construction	20 507*	CA-90-Y496	792,001
Operating Assistance	20 507*	CA-90-Y496	<u>3,004,546</u>
			<u>3,872,248</u>
Section 18/5311			
Operating Assistance	20 509	649068	<u>168,582</u>
AMBAG - Short Range Transit Plan	20 509	5303	34,545
AMBAG - Transit Plan	20 509	5313(b)	3,169
AMBAG - Transit Professional Development	20 509	5313(b)	<u>1,690</u>
			<u>39,404</u>
Total Expenditures of Federal Awards			<u>\$ 6,259,562</u>

* Major federal financial assistance program.

See accompanying notes to schedule of federal financial assistance.

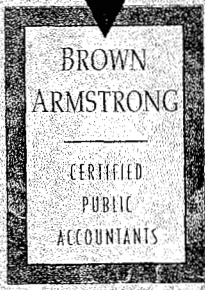
**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007**

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.



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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
 Rosalva Flores, CPA
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 Michael C. Olivares, CPA
 Jialan Su, CPA
 Ariadne S. Prunes, 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, 2007, which collectively comprise Santa Cruz Metropolitan Transit District's basic financial statements and have issued our report thereon dated November 5, 2007. 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. We considered Santa Cruz Metropolitan Transit District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of its internal control. Accordingly, we do not express an opinion on the effectiveness of Santa Cruz Metropolitan Transit District's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

9.932

Compliance and Other Matters

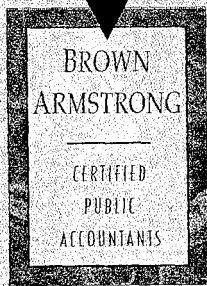
As part of obtaining reasonable assurance about whether Santa Cruz Metropolitan Transit District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could 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 "S. J. Paulden", written in a cursive style.

Bakersfield, California
November 5, 2007



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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**

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Ariadne S. Prunes, CPA

To the Board of Directors
Santa Cruz Metropolitan Transit District
Santa Cruz, California

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, 2007. 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, 2007.

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.

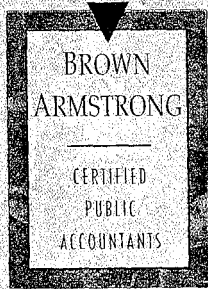
Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively 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
November 5, 2007



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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, MST
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- Ariadne S. Prunes, 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, 2007, and have issued our report thereon dated November 5, 2007.

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, 2007, 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
 November 5, 2007

9.2.36

FINDINGS AND QUESTIONED COSTS SECTION

9.23.7

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 JUNE 30, 2007

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:

CFDA Number(s)

20.500
20.507

Name of Federal Program or Clusters

Federal Transit Administration-Section 3
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

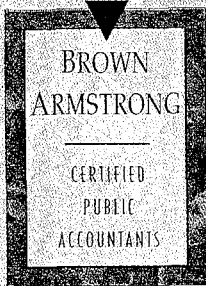
None.

IV. State Award Findings and Questioned Costs

None.

V. A Summary of Prior Audit (all June 30, 2006) Findings and Current Year Status Follows

None.



Attachment B

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To the Administration and Board of Directors
Santa Cruz Metropolitan Transit District
Santa Cruz, California

We have audited the financial statements of the Santa Cruz Metropolitan Transit District for the year ended June 30, 2007, and have issued our report thereon dated November 5, 2007. Professional standards require that we provide you with the following information related to the conduct of our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated June 18, 2007, our responsibility, as described by professional standards, is to provide reasonable, not absolute, assurance that the basic financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us.

As part of our audit, we considered the internal control of the Santa Cruz Metropolitan Transit District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Santa Cruz Metropolitan Transit District are described in Note 1 to the basic financial statements. No new accounting policies were adopted and the existing policies were not changed during 2007. We noted no transactions entered into by the Santa Cruz Metropolitan Transit District during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from management's current judgments. There were no sensitive estimates, except for the accrued claims and judgments payables, affecting the financial statements.

9.61

Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. These adjustments may include those proposed by us but not recorded by the District that could potentially cause future financial statements to be materially misstated, even though we have concluded that such adjustments are not material to the current financial statements. We proposed no audit adjustments that could, in our judgment, either individually or in the aggregate, have a significant effect on the District's financial reporting process.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's general purpose financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition for our retention.

Difficulties Encountered in Performing the Audit

We are pleased to announce we encountered no difficulties in dealing with management in performing our audit

This information is intended solely for the use of the management of the District and the Board of Directors and should not be used for any other purpose.

BROWN ARMSTRONG PAULDEN
McCOWN STARBUCK THORNBURGH & KEETER
ACCOUNTANCY CORPORATION



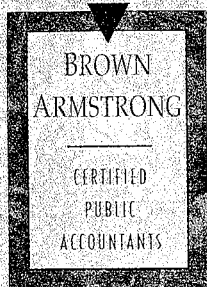
By: Steven R. Starbuck

November 5, 2007
Bakersfield, California

9.62

Entry #	Status	Account/Code	Description	Workpaper	Misstate	Debit	Credit	
AJE 1	Posted	464011	FTA SEC 3 CAPTIAL GRANT	XX			2,971,329.00	
		304011	UMTA SECTION 3			2,971,329.00		
		464023	STATE TRANSIT ASSIST-CAP.				3,989,033.00	
		304024	STATE TRANSIT ASSISTANCE			3,989,033.00		
		464025	OTHER STATE GRANTS/PROVSN				1,218,835.00	
		304016	OTHER FEDERAL GRANTS			891,045.00		
		304024	STATE TRANSIT ASSISTANCE			327,790.00		
		464032	LOCAL CAPITAL GRANTS				3,433,309.00	
		304016	OTHER FEDERAL GRANTS			3,433,309.00		
		To reclass capital grants from equity to revenue. Client does not need to post.						
AJE 2	Posted	304019	FEDERAL CAPITAL-DEPREC.	XX			817,420.00	
		304029	STATE CAPITAL-DEPREC.				586,757.00	
		304039	LOCAL CAPITAL-DEPREC.				54,282.00	
		513015	DEPRECIATION - OTHER			1,458,459.00		
		To reclass depreciation from equity to expense. Client does not need to post.						
AJE 3	Posted	101013	CASH IN TREASURY	A		3,433,309.00		
		101017	CASH IN TREASURY-SETTLEMT				3,433,309.00	
		To reclass cash treasury settlement amount properly. Client does not need to post.						
AJE 4	Posted	201013	DEFERRED REVENUE-MOF	DD			1,027,897.00	
		464011	FTA SEC 3 CAPTIAL GRANT			1,027,897.00		
		Deferred Revenue treasury settlement basis recognition. Client should post to retained earnings not Grant Revenue.						
AJE 5	Posted	304011	UMTA SECTION 3	XX		1,647,845.00		
		304017	UMTA SECTION 9			63,107.00		
		304019	FEDERAL CAPITAL-DEPREC.				1,888,779.00	
		304024	STATE TRANSIT ASSISTANCE			4,651.00		
		304029	STATE CAPITAL-DEPREC.				1,130,839.00	
		304034	TRANSPORT DEVLPMNT ACT1/4			1.00		
		304039	LOCAL CAPITAL-DEPREC.				101,506.00	
		305030	RETAINED EARNING RESTRCTD			1,469,339.00		
		464011	FTA SEC 3 CAPTIAL GRANT				63,819.00	
		To adjust beginning equity balances to PY amounts, plugging to capital grants. Client does not need to post.						
AJE 6	Posted	131030	INVESTMENTS- LONG TERM				1.00	
		201010	ACCOUNTS PAYABLE			1.00		
		Rounding						
AJE 7	Posted	464032	LOCAL CAPITAL GRANTS	15-ND		2,746,647.00		
		464011	FTA SEC 3 CAPTIAL GRANT				2,746,647.00	
		To allocate deferred grant revenue between federal (80%) and local (20%)						
TOTALS						23,463,762.00	23,463,762.00	

9.63



Attachment C ■ Main Office
 4200 Truxtun Ave., Suite 300
 Bakersfield, California 93309
 Tel 661-324-4971 Fax 661-324-4997
 e-mail: info@bacpas.com

BROWN ARMSTRONG
PAULDEN McCOWN STARBUCK THORNBURGH & KEETER
 CERTIFIED PUBLIC ACCOUNTANTS

■ Shafter Office
 560 Central Avenue
 Shafter, California 93263
 Tel 661-746-7145 Fax 661-746-1218

- Andrew J Paulden, CPA
- Peter C. Brown, CPA
- Burton H. Armstrong, CPA, MST
- Harvey J. McCown, MBA, CPA
- Steven R. Starbuck, CPA
- Aileen K. Keeter, CPA
- Chris M. Thornburgh, CPA
- Eric H. Xin, MBA, CPA

**AGREED UPON CONDITIONS DESIGNED TO INCREASE
 EFFICIENCY, INTERNAL CONTROLS AND/OR
 FINANCIAL REPORTING**

- Lynn R. Krausse, CPA, MST
- Rosalva Flores, CPA
- Connie M. Perez, CPA
- M. Sharon Jones, CPA, MST
- Diana H. Branthoover, CPA
- Thomas M. Young, CPA
- Alicia Montgomery, CPA, MBA
- Matthew R. Gilligan, CPA
- Hanna J. Sheppard, CPA
- Ryan J. Nielsen, CPA
- Jian Ou-Yang, CPA
- Ryan S. Johnson, CPA
- Michael C. Olivares, CPA
- Jialan Su, CPA
- Ariadne S. Prunes, CPA
- Samuel O. Newland, CPA
- Richard A. Gammel, CPA

To the Board of Directors and Management
 Santa Cruz Metropolitan Transit District
 Santa Cruz, California

We have audited the financial statements of Santa Cruz Metropolitan Transit District (SCMTD) for the year ended June 30, 2007 and have issued our report thereon dated November 5, 2007. In planning and performing our audit of the financial statements of SCMTD, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

As a result of our audit, we noted certain agreed-upon findings. These findings and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve the internal control structure or result in other efficiencies and are summarized as follows:

Current Year Findings and Recommendations

Finding 1

The District should perform a ticket reconciliation semi-annually that provides assurance that tickets are properly safeguarded and sales are accurately reported.

Recommendation

The District should perform ticket-related procedures that determine whether ticket sales are accurately reported and that tickets in inventory are safeguarded. The reconciliation should be performed at least semi-annually until the process results in tolerable variance level.

Management Response

Meetings have been conducted with the ticketing staff at Metro Center, the Operations Management and the Finance Management. Groundwork and preliminary procedures, forms and policies are being created and tested to insure safeguarding of tickets from receivership from the printing vendor through the sale of the ticket and all aspects in-between. A complete and comprehensive process is anticipated to be in place by Spring of 2008.

9.c1

Finding 2

The District does not have a strict policy on the type of clothing allowed to be worn in the count room. Employees are allowed to wear shirts and pants with pockets. The wearing of inappropriate clothing in the count room could lead to the possible misappropriation of the District's assets.

Recommendation

The District should establish a policy requiring all employees working in the count room to wear a District Uniform that reduces the risk of misappropriation.

Management Response

A draft policy is being written and will be available for review by the end of October 2007.

Finding 3

While reviewing the procedures for counting fare box revenues we noted that the District has one individual that participates in, and supervises, the counting of cash, prepares the daily deposit and has access to the daily revenue reports. The lack of separation of duties could lead to the possible misappropriation of fare box revenues.

Recommendation

The District should restrict access to the revenue reports to those individuals that do not participate in the counting of the fare box revenues and preparation of daily deposits.

In addition, the District should have an individual, separate from cash counting and preparation of deposits, reconcile the deposit amounts to the daily revenue reports and investigate any material overages or shortages.

Management Response

Groundwork and preliminary procedures, forms and policies are being created and tested to insure safeguarding of all cash received into the count room. Separate individuals prepare and control appropriate reports and forms. A complete and comprehensive process is anticipated to be in place by the end of October 2007. This area is also anticipating moving into a new building in late Fall 2007.

Finding 4

While reviewing the procedures for payroll testing, we noted that the District does not require review of overtime payroll entries pertaining to the coach operators. The lack of this control could lead to the possible misappropriation of the District's payroll.

Recommendation

The District should develop a report that would detail all overtime paid to the coach operators during each pay period so it may be reviewed by someone separate from coach operators payroll preparation.

Management Response

With the implementation of Qquest (new payroll system), Finance will be able to monitor and pull OT reports on an ongoing, every payroll basis for all departments; including Fixed Route Bus Operators. A copy of this report is attached for ParaCruz drivers who are currently fully implemented on the Qquest payroll system. The department managers receive a copy of this report on an every pay period basis. We are anticipating having all other departments implemented in Qquest by late spring 2008.

9.c2

Prior Year Findings and Recommendations

Finding 1

The District should perform a ticket reconciliation semi-annually that provides assurance that tickets are properly safeguarded and sales are accurately reported.

Recommendation

The District should perform ticket-related procedures that determine whether ticket sales are accurately reported and that tickets in inventory are safeguarded. The reconciliation should be performed at least semi-annually until the process results in tolerable variance level.

Current Year Status

Partially implemented. See current year Finding 1.

Finding 2

The District does not have a strict policy on the type of clothing allowed to be worn in the count room. Employees are allowed to wear shirts and pants with pockets. The wearing of inappropriate clothing in the count room could lead to the possible misappropriation of the District's assets.

Recommendation

The District should establish a policy requiring all employees working in the count room to wear a District Uniform that reduces the risk of misappropriation.

Current Year Status

See current year Finding 2.

Finding 3

While reviewing the procedures for counting fare box revenues we noted that the District has one individual that participates in, and supervises, the counting of cash, prepares the daily deposit and has access to the daily revenue reports. The lack of separation of duties could lead to the possible misappropriation of fare box revenues.

Recommendation

The District should restrict access to the revenue reports to those individuals that do not participate in the counting of the fare box revenues and preparation of daily deposits.

In addition, the District should have an individual, separate from cash counting and preparation of deposits, reconcile the deposit amounts to the daily revenue reports and investigate any material overages or shortages.

Current Year Status

See current year Finding 3.

Finding 4

While reviewing the procedures for payroll testing, we noted that the District does not require review of overtime payroll entries pertaining to the coach operators. The lack of this control could lead to the possible misappropriation of the District's payroll.

Recommendation

The District should develop a report that would detail all overtime paid to the coach operators during each pay period so it may be reviewed by someone separate from coach operators payroll preparation.

Current Year Status

See current year Finding 4.

9.c3

This information is intended solely for the use of the Board of Directors and management of Santa Cruz Metropolitan Transit District should not be used for any other purpose. However, this report is a matter of public record, and its distribution is not limited.

BROWN ARMSTRONG PAULDEN
McCOWN STARBUCK THORNBURGH & KEETER
ACCOUNTANCY CORPORATION



By: Steven R. Starbuck

Bakersfield, California
November 5, 2007

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9.c4

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 21, 2007
TO: Board of Directors
FROM: Leslie R. White, General Manager
SUBJECT: CONSIDER APPROVAL OF 2008 STATE LEGISLATIVE PROGRAM

I. RECOMMENDED ACTION

That the Board of Directors adopt the proposed METRO 2008 State Legislative Program attached to this Staff Report.

II. SUMMARY OF ISSUES

- Elected officials at the State level continue to actively support the goals established by the METRO Board of Directors when the legislative program is presented to them early in the legislative process.
- On November 7, 2006 the voters of California approved, among other measures, Propositions 1A, 1B, and 1C. These measures provide protection for transportation funds, and authorize the sale of general obligation bonds, over the next 10 years, to provide funds for transportation investments.
- The availability of bond funds for public transit projects will be dependent upon the state budget process. In 2007 the State Legislature released \$600 million in bond funds for the Public Transportation Modernization Improvement and Service Enhancement Fund (PTMISEA). The PTMISEA program is being administered by the Mass Transit Division of Caltrans. The State Controller's Office has estimated that METRO will receive approximately \$27 million when all of the PTMISEA bonds are sold.
- In order for METRO to proceed to implement the Operations Building portion of the MetroBase Project, compete for construction funds for the Pacific Station Redevelopment Project, replace fixed route buses and replace paratransit vans it will be necessary for the bonds for transit eligible projects to continue to be sold on a predictable basis, and for the Santa Cruz County Regional Transportation Commission (SCCRTC) to continue to pass funds under the State Transit Assistance Formula (STA) through to METRO.
- METRO will continue to incur additional costs to provide the mandated ADA complimentary paratransit service. The state has yet to provide specific funding programs to address this need.

- The reliance of UCSC, Cabrillo College, and some K-12 systems on METRO services makes it important to advocate for exploration of “cross function” funding opportunities.
- The 2007 California Legislature diverted \$1.259 billion in Public Transportation Account funds to the State General Fund. The impact on of the diversion on METRO is a loss of approximately \$32 million in capital funds over the next ten years. The California Transit Association has filed a lawsuit challenging the legality of the diversion of PTA funds. Additionally it is anticipated that legislation will be introduced in the 2008 Legislative Session that would repeal the on-going diversion of PTA funds to the General Fund.

III. DISCUSSION

The 2008 California State Legislature will convene in January to consider legislative actions for the coming year. On November 7, 2006 the voters of California approved Propositions 1A, 1B, and 1C. These measures provided protection for transportation funds, and authorized the sale of general obligation bonds, over the next 10 years, to provide funds for transportation investments. The availability of bond funds for public transit projects will be dependent upon the state budget process. In 2007 the State Legislature released \$600 million in bond funds for the Public Transportation Modernization Improvement and Service Enhancement Fund (PTMISEA). The PTMISEA program is being administered by the Mass Transit Division of Caltrans. The State Controller’s Office has estimated that METRO will receive approximately \$27 million when all of the PTMISEA bonds are sold. In order for METRO to proceed to implement the Operations Building portion of the MetroBase Project, compete for construction funds for the Pacific Station Redevelopment Project, replace fixed route buses and replace paratransit vans it will be necessary for the bonds for transit eligible projects to be sold on a predictable basis, and for the Santa Cruz County Regional Transportation Commission (SCCRTC) to continue to pass funds under the State Transit Assistance Formula (STA) through to METRO

It is likely that future years will see cost increases in the area of ADA-Mandated complimentary paratransit service. Currently, the State does not have a funding program to assist transit agencies in addressing this need. Staff recommends that METRO advocate for State consideration of operating and capital funding measures that would support the complementary paratransit needs.

In 2006 METRO, Caltrans, AMBAG, the RTPO’s and other transit agencies in the under 200,000 in population urbanized areas were able to collaborate successfully and remove obstacles which could have prevented draw down of Section 5309 earmarked discretionary funds from the Federal Transit Administration. In 2008, it will again be necessary for transit agencies in areas under 200,000 in population to ensure that all Section 5307 formula funds are programmed. This is necessary to achieve the ability to continue to draw down discretionary Section 5309 earmarks. The programming

responsibility for the Section 5307 funds that are received by METRO is carried out by AMBAG. Where transit agencies have allocated funds that they will not be able to program for projects in a timely manner, Staff recommends that METRO advocate that the Governor's Office, through Caltrans, coordinate with the MPOs and the Regional Transportation Planning Agencies to transfer these funds to other transit agencies that are able to program the funds to avoid having these allocations lapse back to the Federal Treasury, and to avoid any repetition of FTA discretionary fund draw down embargo actions as have occurred in past years.

In prior years, METRO has explored the possibility of acquiring subpoena authority so that the Office of District Counsel can ensure witness participation. Staff recommends that the 2008 Legislative Program once again address this issue and explore the possibility of initiating legislation which would grant the subpoena authority to METRO.

Service provided by METRO is relied upon by UCSC, Cabrillo College, and some of the K-12 school districts in Santa Cruz County. Currently, there is no mechanism or incentive at the State level for coordination of funding for transportation between the education functions and the transportation functions. Staff recommends that METRO advocate for the exploration of "cross function" funding opportunities.

The 2007 California Legislature diverted \$1.259 billion in Public Transportation Account funds to the State General Fund. The impact on of the diversion on METRO is a loss of approximately \$32 million in capital funds over the next ten years. The California Transit Association has filed a lawsuit challenging the legality of the diversion of PTA funds. Additionally it is anticipated that legislation will be introduced in the 2008 Legislative Session that would repeal the on-going diversion of PTA funds to the General Fund.

The specific legislative goals recommended by staff are attached to this Staff Report. Staff is recommending that the firm of Shaw/Yoder, Inc. continue to serve as the Legislative Advocate for METRO under a separate contract

IV. FINANCIAL CONSIDERATIONS

Funds for the State Legislative Advocacy activities, including travel to Sacramento and the contract with Shaw/Yoder, Inc., are included in the adopted 2007/2008 METRO Operating Budget.

V. ATTACHMENTS

Attachment A: Proposed 2008 Santa Cruz Metropolitan Transit District Legislative Program.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

2008 STATE LEGISLATIVE PROGRAM

State Goals:

1. Support legislation and actions necessary to protect existing funding sources and funding levels for transit operating assistance and capital assistance.
2. Support the introduction and passage of legislation designed to enact additional sources of transit operating and capital assistance.
3. Support efforts to insure that Federal Section 5307 formula funds in the Governor's apportionment (administered by AMBAG) are programmed statewide to the maximum extent possible to insure that SCMTD can access Section 5309 Federal discretionary earmarks and to insure that no funds lapse at the end of the SAFETEA-LU authorization.
4. Support efforts to obtain operating and capital funds to meet the increasing service requirements of ADA Para transit.
5. Explore the possibility of using state education funds for the development, construction, and operation of off-campus park and ride facilities as well as public transit services at campuses in the University of California system.
6. Explore the possibility of requesting legislation to grant the SCMTD the authority to issue subpoenas.
7. Support efforts to improve communication and funding for public schools (K-12) and community college/university transportation needs.
8. Prepare and implement a county-wide public awareness program to inform the public of the impacts of lowered or cancelled state funding on METRO service and projects. Involve all stakeholders in the design and implementation of the program. Encourage communication of concerns to members of the State Legislature with emphasis on those individuals representing Santa Cruz County.
9. Support necessary actions to be taken by the Legislature, through the FY 2009 Budget process, that will ensure the state provides transit-eligible Proposition 1B and 1C funds on a timely and equitable basis, and that the sale of the bonds authorized by the voters will continue to be sold in a manner that will support the expenditures.
10. Support legislation that will restore the Public Transportation Account funds that were diverted to the State General Fund in 2007.

- 11.** Support legislation that will prevent Public Transportation Account funds from being diverted to other purposes in the future.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 21, 2007
TO: Board of Directors
FROM: Leslie R. White, General Manager
SUBJECT: CONSIDER APPROVAL OF 2008 FEDERAL LEGISLATIVE PROGRAM

I. RECOMMENDED ACTION

That the Board of Directors adopt the proposed METRO 2008 Federal Legislative Program attached to this staff report.

II. SUMMARY OF ISSUES

- Elected officials at the federal level support the goals established by the METRO Board of Directors when the Legislative Program is presented to them early in the legislative process.
- In 2008, the second session of the 110th Congress will appropriate transit funds for Federal FY 2009. This will be the final year of appropriations under the SAFETEA-LU Authorization Bill.
- In prior years, there have been numerous efforts to limit funding for public transit service in California. Staff recommends that METRO representatives again oppose any action that singles out specific states for lower transit funding levels or places a minimum allocation level to all states which would redirect federal funds away from populous states like California.
- As costs related to federally mandated complimentary paratransit continue to rise, staff recommends that METRO advocate for funding at the federal level to assist in offsetting these expenses.
- Transit financing needs will continue to increase in future years. In order to maximize the federal capital and operating formula funds that we receive Staff recommends that METRO advocate for the transit program funding levels to increase from the \$8.2 billion appropriated in 2006 to the full authorized level of \$10.3 billion in 2009.
- Earmarked Discretionary Capital funding will be needed to replace vans used for ParaCruz Service. Staff recommends that METRO advocate for an earmark of \$840,000 be included in the FY2009 Transportation Appropriations Bill.
- METRO and Monterey-Salinas Transit (MST) have developed a proposal for the acquisition and implementation of a fare Smart Card system. The cost to acquire and implement a joint Smart Card program is anticipated to be \$2,000,000 (\$1.2 million Metro/\$800,000 Monterey). Staff recommends that METRO request the earmark of Federal ITS funds in the amount of \$1.2 million for METRO and \$800,000 for MST for the acquisition and implementation of a fare Smart Card system.

- Staff further recommends that METRO urge Members of Congress to complete action and enact a FY 2009 Transportation Appropriations Bill prior to the commencement of the fiscal year on October 1, 2008 so that funds will be available for use for van replacement and the Smart Card system at the earliest possible time.

III. DISCUSSION

In 2008, Congress will appropriate funds for federal FY 2009. The federal formula funds that METRO receives to offset operating and capital expenses are derived from the annual appropriations bill. Therefore, it is important that Congress appropriate at the levels authorized in the new authorization bill, the Safe, Accountable, Efficient, Flexible, Transportation Equity Act-A Legacy for Users (SAFETEA-LU).

In prior years, under Republican leadership, the transportation appropriations process has resulted in proposals being developed which would limit funding for California transit systems. Staff recommends that the 2008 Legislative Program include a provision that METRO continue to vigorously resist efforts to single out specific states for lower transit funding or places a minimum allocation level to all states which would redirect funds away from more populous states like California.

It is likely that federally mandated ADA Paratransit costs will increase in future years. Staff recommends that METRO advocate for supplemental federal capital and operating funds to assist in supporting the costs of the ADA-mandated complimentary Paratransit.

In order to accommodate the funding levels envisioned in the new authorization bill, it will be necessary for appropriation levels to rise. Therefore, staff recommends that METRO advocate for an increase in funding levels to achieve the authorized level of \$10.3 billion in 2009.

While there has been continuing discussion of the process of earmarking funds in appropriations bills at the federal level, it is likely that the Section 5309 Discretionary Bus Program funds will continue to be delivered to transit systems on an earmarked project basis in FY 2009. Earmarked Discretionary Capital funding will be needed to replace vans used for ParaCruz Service. Staff recommends that METRO advocate for an earmark of \$840,000 to be included in the FY2009 Transportation Appropriations Bill. METRO and Monterey-Salinas Transit (MST) have developed a proposal for the acquisition and implementation of a fare Smart Card system. This system would allow riders to use either transit system with the same fare media, and allow for the implementation of a wider variety of fare products. The cost to acquire and implement a joint Smart Card program is anticipated to be \$2,000,000 (\$1.2 million Metro/\$800,000 Monterey). Staff recommends that METRO and MST request that funds from the Federal Intelligent Transportation Systems (ITS) program be earmarked to support the Smart Card program implementation. Staff recommends that METRO urge Members of Congress to complete action and enact a FY 2009 Transportation Appropriations Bill prior to the commencement of the

federal fiscal year on October 1, 2008 so that funds will be available for use for van replacement and for the implementation of the Smart Card system at the earliest possible time. Staff recommends that METRO request that Representatives Farr and Eshoo, as well as Senators Feinstein and Boxer, support the dedication of \$840,000 in Section 5309 bus funds for replacement vans for the ParaCruz service and the earmark of Federal ITS funds in the amount of \$1.2 million for METRO and \$800,000 for Monterey-Salinas Transit for the acquisition and implementation of a fare Smart Card system.

The earmark requests outlined in this Staff Report were submitted to Members of Congress in March 2007. As a part of the discussion of earmark requests (at the request of Congressman Sam Farr) the Pacific Station Redevelopment Project was added to the list of Congressional Earmark requests. As of this writing the FY 2008 Transportation Appropriations Bill Conference Report (HR 3074) includes \$500,000 for the Pacific Station Redevelopment Project and does not include funds for the ParaCruz Vans or Smart Card projects. Staff recommends that the Pacific Station Redevelopment Project request of \$2,000,000 be included in the FY 2009 Legislative Program.

The work to develop an industry position for the next federal authorization cycle will begin this year. The American Public Transportation Association (APTA) is forming an Authorization Task Force to address issues and revisions that should be included in the next Bill. It is important that METRO advocate for the development of an Authorization Bill to replace the SAFETEA-LU Authorization Bill that expires September 30, 2009 that includes protection and expansion of the Small Transit Intensive Cities (STIC) funding, improvement of overall funding by 10% per year, and includes revisions to the process of selecting the projects to be funded under the Section 5309 Discretionary Program for Small Starts and Bus/Bus Facilities Programs.

In order to effectively advocate for the goals contained in the proposed 2008 Federal Legislative Program, it will take the concerted efforts of members of the Board of Directors, staff, other community leaders and citizens to communicate our needs to our members of Congress as well as the continued efforts of Carolyn Chaney and Associates in Washington DC.

IV. FINANCIAL CONSIDERATIONS

Funding necessary for travel to Washington, DC and other APTA Legislative Committee meetings is included in the 2007/2008 METRO operating budget. Additionally, funds necessary to support the services of contracted legislative advocates are included in the METRO budget.

V. ATTACHMENTS

Attachment A: Proposed Santa Cruz Metropolitan Transit District 2008 Federal Legislative Program

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
2008 FEDERAL LEGISLATIVE PROGRAM**

Federal Goals:

1. Support the appropriation of federal transit funds at the maximum amount provided in the Safe, Accountable, Flexible, Efficient, Transportation Equity Act- A Legacy for Users (SAFETEA-LU) and support the continuation of the guarantee and firewall provisions contained in the Act. Resist efforts to single out specific states for lower transit funding levels.
2. Support efforts to obtain funding for operating and capital costs to meet the increasing service requirements of ADA Paratransit (ParaCruz).
3. Advocate for and achieve an Earmark in the Section 5309 Discretionary Bus Funding Program of the 2009 Transportation Appropriations Bill of \$840,000 for the replacement of 12 paratransit vans.
4. Advocate for and achieve a Joint Earmark, with Monterey-Salinas Transit (MST), in Federal Intelligent Transportation Systems (ITS) funds in the amount of \$1.2 million for METRO, and \$800,000 for MST, for the joint acquisition of a Smart Card System that would allow riders to use either transit system with the same fare media, and allow for the implementation of a wider variety of fare products.
5. Advocate for and achieve an Earmark in the Section 5309 Discretionary Bus Funding Program of the 2009 Transportation Appropriations Bill of \$2,000,000 for the Pacific Station Redevelopment Project.
6. Advocate for passage of the FY 2009 Transportation Appropriations Bill in a timely manner, and in no case later than October 1, 2008.
7. Advocate for the development of an Authorization Bill to replace the SAFETEA-LU Authorization Bill that expires September 30, 2009 that includes protection and expansion of the Small Transit Intensive Cities funding, improvement of overall funding by 10% per year, and includes revisions to the process of selecting the projects to be funded under the Section 5309 Discretionary Program for Small Starts and Bus and Bus Facilities.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 21, 2007

TO: Board of Directors

FROM: Leslie R. White, General Manager

SUBJECT: **CONSIDERATION OF INFORMATION REGARDING THE AMERICAN PUBLIC TRANSPORTATION ASSOCIATION'S LEGISLATIVE COMMITTEE, AUTHORIZATION TASK FORCE, AND 2050 FRAMEWORK FOR THE FUTURE TASK FORCE AND CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO CONTINUE TO PARTICPATE IN THE ACTIVITIES OF THESE COMMITTEES.**

I. RECOMMENDED ACTION

That the Board of Directors receive and consider information regarding the recent actions of the American Public Transportation Association's Legislative Committee, Authorization Task Force, and 2050 Framework for the Future Task Force, and to authorize the continued participation of the General Manager in these committees.

II. SUMMARY OF ISSUES

- From November 28-30, 2007 the American Public Transportation Association (APTA) held numerous committee meetings in Washington DC.
- The focus of the meetings of the various APTA Committees was the preparation for the next federal financing authorization cycle and the development of a long-term vision for the association that would provider guidance for future legislative efforts as well as examining if structural changes within the association are necessary to meet future challenges.
- The Legislative Committee, in conjunction with the Executive Committee, is appointing an Authorization Task Force charged with developing a position paper for advocacy in the next federal financing authorization cycle. The structure of the Authorization Task Force is included with this report as Attachment A. I have been asked to serve on the Authorization Task Force. The objective of the Task Force is to have a completed, consensus-based document finalized for approval by the association at the September 2008 Annual Meeting.
- The APTA Executive Committee also created a 2050 Framework for the Future Task Force that is charged with developing a longer-term vision for the association and to evaluate the internal organization and committee structure to determine if changes are necessary for the association to be prepared to meet future challenges. The APTA Executive Committee has asked former APTA Chairs George Dixon (Cleveland

Board Chair), John Bartosowicz (McDonald Transit Associates President), and myself to co-chair this Task Force. The objective of the Task Force will be to have a completed report to the APTA Executive Committee and Board of Directors by June 2008.

- While the activities of the APTA Authorization Task Force and 2050 Framework for the Future will require some time to carry out, METRO will benefit from having a united, well-structured, national transit association that can effectively advocate for higher funding levels in future financing cycles.
- I recommend that the Board of Directors authorize my participation in the Authorization Task Force and the 2050 Framework for the Future Task Force.

III. DISCUSSION

From November 28-30, 2007 the American Public Transportation Association (APTA) held numerous committee meetings in Washington DC. Included in the meetings that were held were the Executive Committee, the Legislative Intergovernmental Issues Subcommittee, the Legislative Committee leadership, the Authorization Task Force leadership, the Legislative Committee, and the Past Chairs Committee. The first instructional session of the Leadership APTA Program was also being held at the same time.

The focus of the meetings of the various APTA Committees was the preparation for the next federal financing authorization cycle and the development of a long-term vision for the association that would provide guidance for future legislative efforts as well as examining if structural changes within the association are necessary to meet future challenges.

The Legislative Committee, in conjunction with the Executive Committee, is appointing an Authorization Task Force charged with developing a position paper for advocacy in the next federal financing authorization cycle. The structure of the Authorization Task Force is included with this report as Attachment A. I have been asked to serve on the Authorization Task Force. The objective of the Task Force is to have a completed, consensus-based document finalized for approval by the association at the September 2008 Annual Meeting.

The APTA Executive Committee also created a 2050 Framework for the Future Task Force that is charged with developing a longer-term vision for the association and to evaluate the internal organization and committee structure to determine if changes are necessary for the association to be prepared to meet future challenges. The APTA Executive Committee has asked former APTA Chairs George Dixon (Cleveland Board Chair), John Bartosowicz (McDonald Transit Associates President), and myself to co-chair this Task Force. The objective of the Task Force will be to have a completed report to the APTA Executive Committee and Board of Directors by June 2008.

While the activities of the APTA Authorization Task Force and 2050 Framework for the Future will require some time to carry out, METRO will benefit from having a united, well-structured, national transit association that can effectively advocate for higher funding levels in future financing cycles. I recommend that the Board of Directors authorize my participation in the Authorization Task Force and the 2050 Framework for the Future Task Force.

IV. FINANCIAL CONSIDERATIONS

There are sufficient funds available in the FY 2007/2008 Operating Budget to support the General Manager's participation in the APTA Committees outlined in this Staff Report.

V. ATTACHMENTS

Attachment A: APTA Authorization Task Force Structure Chart

**Authorization Task Force
Mission Statement**

To develop an APTA position on authorization by August 2008 which will maximize the ability of the public transportation industry to serve our customers.

Board of Directors

Government Affairs Vice-Chair

Legislative Committee

Authorization Task Force Co-Chairs
Authorization Task Force

Legislative Subcommittees

APTA Membership

Other APTA Committees

Interested Partners

November 29, 2007

12.a1

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 21, 2007

TO: Board of Directors

FROM: Mark Dorfman, Assistant General Manager

SUBJECT: CONSIDER A RESOLUTION AUTHORIZING STAFF TO SUBMIT APPLICATIONS AND EXECUTE AGREEMENTS FOR PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT AND SERVICE ENHANCEMENT ACCOUNT (PTMISEA) FUNDS.

I. RECOMMENDED ACTION

Adopt a resolution authorizing staff to submit applications to Caltrans and to execute agreements to obligate Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) funds for MetroBase.

II. SUMMARY OF ISSUES

- Proposition 1B established \$3.6 Billion for the Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA).
- The State Controller's Office allocates PTMISEA funds to Transit Operators and Regional Transportation Programming Agencies such as the SCCRTC in the same proportion that State Transit Assistance (STA) funds are programmed. The PTMISEA will provide about \$27 Million to Santa Cruz County over the life of Proposition 1B.
- At the December 6, 2007 SCCRTC meeting, a resolution was passed that programs their share of the Proposition 1B Funds to METRO.
- Last month, the METRO Board adopted a Financial Framework for Capital Budgets which assumes that the SCCRTC will pass-through to METRO its portion of PTMISEA funds as it has passed-through the STA funds in prior years.
- The FY 2008 California Budget appropriates the first \$600 million of the PTMISEA funds, with approximately \$4.4 million of that amount coming to Santa Cruz County.
- Applications for the current allocation of \$4.4 Million are due to Caltrans December 28.
- Adopting the attached resolution authorizes Staff to submit applications to Caltrans and to execute necessary agreements to obtain PTMISEA funds to complete MetroBase.

III. DISCUSSION

In November, 2006, California voters approved the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006 (Bond Act), balloted as Proposition 1B. Proposition 1B and its enabling legislation, SB 88, established the Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA), among other infrastructure accounts, to fund public transportation improvement projects in California. The PTMISEA will receive approximately \$3.6 Billion from the sale of bonds. Of this amount, an estimated \$27 million will accrue to Santa Cruz County over the life of the Bond Act.

SB 88 delegates the State Controller's Office to identify eligible Regional Transportation Planning Agencies and Public Transit Operators and to allocate the funds using the same formula used to allocate State Transit Assistance (STA) Funds. The Public Utilities Code in Sections 99313 and 99314 identifies the Santa Cruz County Regional Transportation Commission and the Santa Cruz Metropolitan Transit District as eligible recipients of STA funds, although only Santa Cruz METRO is an eligible project sponsor.

The FY 2008 California Budget appropriates the first \$600 Million of the PTMISEA funds to eligible agencies. Of this amount, the State Controller's Office appropriated approximately \$2.1 Million to the SCCRTC and approximately \$2.3 Million to Santa Cruz METRO. As designated in the Financial Framework for Capital Projects adopted by the METRO Board last month, METRO anticipates using all available PTMISEA funds for MetroBase. For FY 2008, METRO requests that the SCCRTC pass-through its allocation to METRO to enable an application for \$4.4 Million in PTMISEA funds for MetroBase, and at the December 6, 2007 SCCRTC meeting, a resolution was passed for this to occur (Attachment B).

SB 88 established Caltrans as the administering agency for the PTMISEA program. Caltrans released Guidelines for project applications and monitoring on December 5. In accordance with the Guidelines, Santa Cruz METRO will submit an application as the lead project sponsor to obligate its share of PTMISEA funds for MetroBase, and the SCCRTC will be shown on the application as a contributing sponsor, passing-through its funds to METRO for the MetroBase project. In order to streamline the process, the SCCRTC has requested that Caltrans and the State Controller's Office pass-through SCCRTC's subsequent PTMISEA allocations directly to METRO.

Applications for this first year's allocation of PTMISEA funds are due to Caltrans on December 28, 2007. Adopting the attached resolution will authorize Staff to submit an application for MetroBase showing the SCCRTC as a contributing sponsor. Completing MetroBase is in accordance with METRO's five-year Financial Framework 2008-2012 and in accordance with the Regional Transportation Plan. Using all anticipated PTMISEA revenue for MetroBase will show its completion to be fully funded. By taking this action, METRO will be certifying that the project will be fully constructed if the state funding does not materialize.

IV. FINANCIAL CONSIDERATIONS

PTMISEA funds will provide approximately \$4.4 Million for METRO's Capital Budget in FY 2008 and up to \$27 Million for MetroBase completion over the life of the Bond Act.

V. ATTACHMENTS

Attachment A: Resolution Authorizing Submission of Applications and Execution of Agreements for PTMISEA funds

Attachment B: December 6, 2007 SCCRTC Staff Report programming and passing through to METRO their share of the Proposition 1B Funds.

BEFORE THE BOARD OF DIRECTORS OF THE
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Resolution No. _____

On the Motion of Director: _____

Duly Seconded by Director: _____

The Following Resolution is Adopted:

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
AUTHORIZING APPLICATIONS TO THE CALIFORNIA DEPARTMENT OF
TRANSPORTATION AND EXECUTION OF AGREEMENTS
FOR PUBLIC TRANSPORTATION, MODERNIZATION, IMPROVEMENT AND
SERVICE ENHANCEMENT ACCOUNT FUNDS**

WHEREAS, California voters approved the Highway Safety, Traffic Reduction, Air quality, and Port Security Bond Act of 2006 (Bond Act) on November, 2006 as Proposition 1B; and

WHEREAS, the Bond Act and its enabling legislation in Senate Bill 88 created the Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA) with \$3.6 Billion to be funded by the sale of Bonds; and

WHEREAS, the State Controller's Office is authorized under Sections 8879.55 and 8879.56 of the Government Code to allocate PTMISEA funds to eligible regional transportation planning agencies and public transit operators; and

WHEREAS, in accordance with the Sections 99313 and 99314 et al of the Public Utilities Code, the Santa Cruz County Regional Transportation Commission and the Santa Cruz Metropolitan Transit District, respectively, are eligible recipients of State Transit Assistance (STA) funds and are therefore eligible recipients of PTMISEA Funds; and,

WHEREAS, PTMISEA funds are essential to completing MetroBase, the District's highest priority; and

WHEREAS, the Santa Cruz Metropolitan Transit District proposes to use all PTMISEA funds allocated under Sections 99313 and 99314 of the Public Utilities Code for MetroBase, a new Capital Project, in conformance with the PTMISEA Guidelines, the Santa Cruz Metropolitan Transit District's Financial Framework for Capital Budgets and the Regional Transportation Plan; and

WHEREAS, the Santa Cruz County Regional Transportation Commission concurs with passing-through its allocation of PTMISEA to Santa Cruz Metropolitan Transit District for the MetroBase project:

NOW, THEREFORE, BE IT RESOLVED, that the General Manager of the Santa Cruz Metropolitan Transit District is authorized to submit applications as the lead project sponsor for MetroBase completion and to execute all necessary agreements to obtain up to \$27,000,000 in PTMISEA funds estimated to be made available to the Santa Cruz County Regional Transportation Commission and to the Santa Cruz Metropolitan Transit District over the life of the Bond Act.

PASSED AND ADOPTED this 21st Day of December, 2007 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

APPROVED _____
MARCELA TAVANTZIS
Board Chair

ATTEST _____
LESLIE R. WHITE
General Manager

APPROVED AS TO FORM:

MARGARET GALLAGHER
District Counsel

13.02

AGENDA: December 6, 2007

TO: Regional Transportation Commission (RTC)
FROM: Rachel Moriconi, Senior Transportation Planner *RM*
SUBJECT: Proposition 1B Public Transportation Modernization, Improvement and Service Enhancement Account Funds for Santa Cruz Metropolitan Transit District (SCMTD)

RECOMMENDATIONS

Staff recommends that the Regional Transportation Commission (RTC):

1. Adopt a resolution (Attachment 2) programming and passing-through the Proposition 1B Public Transportation Modernization, Improvement and Service Enhancement Account Funds designated for the Santa Cruz County region to the Santa Cruz Metropolitan Transit District (SCMTD).
-

BACKGROUND

On November 7, 2006, State voters approved Proposition 1B, authorizing \$19.9 billion in bonds for a variety of transportation programs. \$3.6 billion of the Proposition 1B funds are designated for the Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) to be distributed by formula to transit agencies (Section 99314) and Regional Transportation Planning Agencies (Section 99313) based on fare box return and population. Santa Cruz County's share of these bond funds will be approximately \$27 million.

The Fiscal Year 2007/08 State Budget authorized the release of \$600 million of the \$3.6 billion. The amount available to Santa Cruz County this year is approximately \$4.4 million (Attachment 1). Apportionment of the balance of bond funds will be considered in subsequent state budgets. Only agencies who are eligible to receive State Transit Assistance (STA) funds may receive PTMISEA funds. SCMTD is the only agency in Santa Cruz County eligible to receive STA funds.

DISCUSSION

In order to avoid duplicative administrative efforts and streamline the application process for the Proposition 1B PTMISEA funds, **staff recommends that the Regional Transportation Commission (RTC) approve a resolution (Attachment 2) programming and authorizing the State Controller and Caltrans to pass-through the RTC's portion of Proposition 1B PTMISEA funds (PUC Section 99313) directly to the Santa Cruz Metropolitan Transit District.**

According to the draft guidelines, these Proposition 1B funds can be used for capital projects or a

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minimum operable segment of a project including:

1. Rehabilitation, safety or modernization improvements;
2. Capital service enhancements or expansions;
3. New capital projects;
4. Bus rapid transit improvements; or
5. Rolling stock (bus) procurement, rehabilitation or replacement.

As noted in the attached request letter, SCMTD intends to use the funds on the next phase of the MetroBase project (Attachment 3). Though the RTC will be signing over the 99313 funds to SCMTD, the RTC will be listed on SCMTD's application as a contributing project sponsor.

As of the writing of this staff report, Caltrans was still working with the State Controller's Office and state legislators to finalize the guidelines for these funds. In order to release funds to transit agencies as soon as possible, it is expected that applications will be due December 21, 2007.

SUMMARY

Proposition 1B included \$3.6 billion for transit projects. Staff recommends that the RTC transfer responsibility for the portion of those funds designated for the RTC to the Santa Cruz Metropolitan Transit District.

- Attachments:
1. Letter from the State Controller Regarding Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) Funds
 2. Resolution Programming all Santa Cruz County PTMISEA Funds to SCMTD and Authorizing Passing the Funds Through to SCMTD
 2. Letter from SCMTD Requesting Pass-Through of PTMISEA Funds

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Attachment 1



JOHN CHIANG
California State Controller
Division of Accounting and Reporting

October 24, 2007

COUNTY AUDITORS
TRANSPORTATION PLANNING AGENCIES
COUNTY TRANSPORTATION COMMISSIONS
SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Re: Public Transportation Modernization, Improvement and Service Enhancement Account

Pursuant to Section 8879.55 of the Government Code (GC), the State Controller's Office (SCO) is required to provide a schedule of eligible entities and to calculate the amount of funds each is available to receive from the Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) upon appropriation of the Legislature. Attached is a schedule that provides the amounts available from the 2007-08 fiscal year appropriation in the Budget Act of 2007.

GC Section 8879.55 requires that funds made available, upon appropriation of the Legislature, from the PTMISEA be allocated to agencies and transit operators eligible to receive State Transit Assistance funds pursuant to Sections 99313 and 99314 of the Public Utility Code (PUC). The SCO is providing a detailed schedule of the GC Section 8879.55(a)(3) eligible amounts for the entities eligible pursuant to PUC Section 99314. Since the detail for PUC Section 99313 allocations is not reported to the Controller's Office, the SCO is only able to provide eligible amounts for each county for GC Section 8879.55(a)(2). From the GC Section 8879.55(a)(2) eligible amount listed, the county transportation commissions will be responsible for calculating eligible amounts for each project sponsor under their authority.

The amount of funds for GC Section 8879.55 approved by the Governor in the State Budget for the 2007-08 fiscal year is \$600,000,00. The SCO will make allocations after receiving, on a biannual basis, a list of approved project sponsors eligible to receive an allocation from the account determined by the Department of Transportation pursuant to GC Section 8879.55(d).

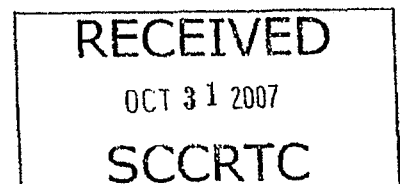
Any questions you have regarding the program stated in this letter should be directed to Mike Silvera of the Division of Accounting and Reporting at (916) 323-0704.

Sincerely,

KELLY MARTELL, Section Supervisor
County Cost Plans and Local Apportionments Section

Enclosure

MAILING ADDRESS P.O. Box 942850, Sacramento, CA 94250
STREET ADDRESS 3301 C Street, Suite 500, Sacramento, CA 95816



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STATE CONTROLLER'S OFFICE
PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT, AND SERVICE ENHANCEMENT ACCOUNT
GOVERNMENT CODE 8879.55 ELIGIBLE ALLOCATION - FISCAL YEAR 2007-2008

<u>Regional Entity</u>	<u>GC 8879.55(a)(2) Eligible Allocation</u>	<u>GC 8879.55(a)(3) Eligible Allocation</u>	<u>2007-2008 Eligible Allocations</u>
TRPA	\$ 709,328	\$ 38,403	\$ 747,731
MTC	57,651,532	155,448,509	213,100,041
SACOG	13,985,311	7,597,257	21,582,568
Alpine	10,147	0	10,147
Amador	307,122	24,165	331,287
Butte	1,752,448	66,908	1,819,356
Calaveras	366,880	0	366,880
Colusa	171,995	14,208	186,203
Del Norte	235,400	0	235,400
El Dorado	1,142,795	111,861	1,254,656
Fresno	7,232,920	984,553	8,217,473
Glenn	230,760	0	230,760
Humboldt	1,070,659	171,991	1,242,650
Imperial	1,333,071	0	1,333,071
Inyo	150,352	31,673	182,025
Kern	6,224,653	535,689	6,760,342
Kings	1,186,954	239,449	1,426,403
Lake	517,739	28,871	546,610
Lassen	287,048	14,439	301,487
Los Angeles	82,953,903	100,120,285	183,074,188
Madera	1,156,370	0	1,156,370
Mariposa	146,831	1,659	148,490
Mendocino	731,781	72,901	804,682
Merced	1,975,598	86,812	2,062,410
Modoc	79,382	0	79,382
Mono	110,170	0	110,170
Monterey	3,444,136	581,064	4,025,200
Nevada	805,926	44,980	850,906
Orange	24,845,730	10,351,765	35,197,495
Placer	2,088,561	208,322	2,296,883
Plumas	173,275	0	173,275
Riverside	15,534,581	2,311,679	17,846,260
San Benito	467,009	0	467,009
San Bernardino	15,973,969	3,099,210	19,073,179
SANDAG	6,166,880	2,436,045	8,602,925
San Diego MTDB	18,639,571	9,148,356	27,787,927
San Joaquin	5,357,565	1,310,543	6,668,108
San Luis Obispo	2,126,415	347,924	2,474,339
Santa Barbara	3,409,980	920,389	4,330,369
Santa Cruz	2,122,873	2,281,146	4,404,019
Shasta	1,460,904	74,344	1,535,248
Sierra	28,493	0	28,493
Siskiyou	372,528	16,715	389,243
Stanislaus	4,133,296	294,078	4,427,374
Tehama	493,732	0	493,732
Trinity	112,723	2,315	115,038
Tulare	3,369,696	153,522	3,523,218
Tuolumne	471,595	0	471,595
Ventura	6,609,186	757,743	7,366,929
State Totals	<u>\$ 299,929,773</u>	<u>\$ 299,929,773</u>	<u>\$ 599,859,546</u>

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RESOLUTION NO.

Adopted by the Santa Cruz County Regional Transportation Commission
on the date of December 6, 2007
on the motion of Commissioner
duly seconded by Commissioner

A RESOLUTION PASSING PROPOSITION 1B PUBLIC TRANSPORTATION
MODERNIZATION, IMPROVEMENT AND SERVICE ENHANCEMENT ACCOUNT
FUNDS TO THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

WHEREAS, Proposition 1B, approved by the voters of California in November 2007, designated \$3.6 billion in bonds for the Public Transportation Modernization, Improvement and Service Enhancement Account (Proposition 1B Transit funds);

WHEREAS, the Proposition 1B Transit funds are available to agencies and transit operators eligible to receive State Transit Assistance funds pursuant to Sections 99313 and 99314 of the Public Utility Code (PUC);

WHEREAS, the Santa Cruz County Regional Transportation Commission is responsible for allocating the Proposition 1B PUC Section 99313 funds in Santa Cruz County;

WHEREAS, the Santa Cruz Metropolitan Transit District (SCMTD) as an operator of a public transportation system is eligible to receive these Proposition 1B funds; and

WHEREAS, SCMTD's proposed expenditures are consistent with the Regional Transportation Plan; and

WHEREAS, the SCMTD intends to use both the Section 99313 and Section 99314 funds on the same project and significant efficiencies can be realized by passing through the SCCRTC share of Proposition 1B Transit funds directly to the SCMTD;

BE IT RESOLVED BY THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION THAT:

1. The entire allocation of Proposition 1B Transit funds for Santa Cruz County are hereby programmed to SCMTD;
2. The State Controller and Caltrans are hereby requested to pass-through the SCCRTC's share of Proposition 1B Transit funds, PUC Section 99313, directly to SCMTD;
3. The Executive Director is hereby authorized to sign agreements with Santa Cruz Metropolitan Transit District, Caltrans, the State Controller, and other agencies as may be necessary for the transfer of the region's share of Proposition 1B Public Transportation Modernization, Improvement and Service Enhancement Account funds directly to Santa Cruz Metropolitan Transit District.

AYES: COMMISSIONERS

NOES: COMMISSIONERS

ABSTAIN: COMMISSIONERS

ABSENT: COMMISSIONERS

Tony Campos, Chair

ATTEST:

George Dondero, Secretary

Distribution: Tom Hiltner, SCMTD

RTC Programming

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*Santa Cruz Metropolitan
Transit District*



November 27, 2007

Mr. George Dondero, Executive Director
Santa Cruz County
Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060-3911

RE: Request Pass Through of PTMISEA Funds for MetroBase

Dear George:

By this letter, I request that the SCCRTC program and pass-through to METRO its share of FY 2007-08 revenue available from the Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) of the Proposition 1B Bond Act. In accordance with Government Code Section 8879.55, the State Controller's Office has identified Santa Cruz METRO and the Santa Cruz County Regional Transportation Commission as eligible recipients of PTMISEA funds for Santa Cruz County. The State Controller's Office will allocate funds to the SCCRTC and to Santa Cruz METRO in the same proportion that STA funds are allocated under Public Utilities Code 99313 and 99314, respectively.

Santa Cruz METRO's highest priority continues to be completion of MetroBase. In accordance with the 5-year financial plan adopted by the Board on November 16, 2007, METRO anticipates using all PTMISEA revenue available to Santa Cruz County for construction of the new MetroBase Operations facility on River Street. Programming anticipated revenue from Proposition 1B will enable MetroBase completion. Currently, the new Bus Service and Washing facility and the Maintenance facility are under construction.

With the concurrence of the SCCRTC, METRO intends to submit a FY 2007-08 PTMISEA application as the Lead Project Sponsor showing the SCCRTC as a contributing sponsor. According to the calculations within Government Code 8879.55, the PTMISEA allocation to METRO will be approximately \$2.3 Million, with approximately \$2.1 Million allocated to the SCCRTC. If the SCCRTC concurs with combining and programming the funds from both agencies to fund MetroBase construction, please prepare a letter authorizing this programming and verifying the amount when the State Controller's Office provides the final allocation numbers

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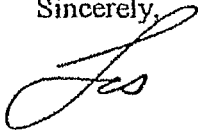
FY 2007/08 PTMISEA Allocation Estimate

Project Description	METRO PUC 99314	SCCRTC PUC 99313	TOTAL
MetroBase Operations Facility	\$2.3 Million	\$2.1 Million	\$4.4 Million

In order to establish SCCRTC's authorization and verification, I would appreciate the SCCRTC's consideration of METRO's requested programming at its next meeting. Santa Cruz METRO staff will prepare and submit an application for the FY 2007-2008 PTMISEA allocation by December 14 deadline stated in the current PTMISEA Guidelines, although this date may be postponed.

Santa Cruz METRO depends upon the full allocation of PTMISEA funds to complete MetroBase. Thank you for your consideration in programming the County's share of PTMISEA funds to constructing the MetroBase Operating facility. Please call me if you have questions or need other information.

Sincerely,



LESLIE R. WHITE
General Manager

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 21, 2007

TO: Board of Directors

FROM: Leslie R. White, General Manager

SUBJECT: **CONSIDERATION OF AUTHORIZING THE CHAIR OF THE BOARD OF DIRECTORS TO TRANSMIT LETTERS OF APPRECIATION TO METRO REPRESENTATIVES AND AFFILIATES WHO SERVED ON THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION'S TRANSPORTATION FUNDING TASK FORCE.**

I. RECOMMENDED ACTION

That the Board of Directors authorize the Chair to transmit letters of appreciation to METRO representatives and affiliates who served on the SCCRTC TFTF.

II. SUMMARY OF ISSUES

- On November 14, 2007 the Santa Cruz County Regional Transportation Funding Task Force (TFTF) concluded the work of developing a financing plan for major transportation projects in Santa Cruz County.
- The TFTF met numerous times over a period of twenty-six months.
- The Members of the TFTF developed a plan that was authorized by a 2/3rds vote to be submitted to the SCCRTC.
- The SCCRTC will evaluate the components of the recommended plan to determine if it should be placed before the voters in 2008.
- The Members of the TFTF devoted long hours to gathering information and developing a consensus based program for recommendation to the SCCRTC.
- Directors Pat Spence and Kirby Nicol as well as Metro Advisory Committee Member Paul Marcelin-Sampson directly represented METRO on the TFTF.
- In addition to direct representation METRO also benefited from the participation of individuals affiliated with METRO, but appointed by other agencies including: Directors Jan Beautz, Dene Bustichi, and Emily Reilly. Additionally METRO benefited from the participation of United Transportation Union Local 23 Chair Bonnie Morr. The TFTF also received staff assistance from Ian McFadden and Mark Dorfman.
- The recognition by the TFTF of the value of public transit in the community and of the synergy and dependence of all modes to each other resulted in the inclusion in

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funding for public transit services in all of the various plans that were evaluated. This was a direct result of the participation of the individuals named in this Staff Report.

- Staff recommends that the Board of Directors authorize the Chair to transmit formal Letters of Appreciation to the METRO representatives and affiliates, as well as staff members that participated in the TFTF.

III. DISCUSSION

On November 14, 2007 the Santa Cruz County Regional Transportation Funding Task Force (TFTF) concluded the work of developing a financing plan for major transportation projects in Santa Cruz County. The TFTF met numerous times over a period of twenty-six months. The Members of the TFTF developed a plan that was authorized by a 2/3rds vote to be submitted to the SCCRTC. The Members of the TFTF devoted long hours to gathering information and developing a consensus based program for recommendation to the SCCRTC.

METRO was directly represented on the TFTF by Directors Pat Spence and Kirby Nicol as well as Metro Advisory Committee Member Paul Marcelin-Sampson. In addition to direct representation, METRO also benefited from the participation of individuals affiliated with METRO, but appointed by other agencies including: Directors Jan Beautz, Dene Bustichi, and Emily Reilly. Additionally METRO benefited from the participation of United Transportation Union Local 23 Chair Bonnie Morr. The TFTF also received staff assistance from Ian McFadden and Mark Dorfman.

The recognition by the TFTF of the value of public transit in the community and of the synergy and dependence of all modes to each other resulted in the inclusion in funding for public transit services in all of the various plans that were evaluated. This was a direct result of the participation of the individuals named in this Staff Report. Therefore, staff recommends that the Board of Directors authorize the Chair to transmit formal Letters of Appreciation to the METRO representatives and affiliates, as well as staff members that participated in the TFTF.

IV. FINANCIAL CONSIDERATIONS

The approval to transmit letters of appreciation to individuals who participated in the SCCRTC TFTF will not have an adverse impact on the 2007/2008 METRO Operating Budget.

V. ATTACHMENTS

None

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 21, 2007

TO: Board of Directors

FROM: Tom Stickel, Manager of Maintenance

SUBJECT: CONSIDERATION OF AWARD OF CONTRACT FOR ROOF RESTORATION ON METRO'S OPERATIONS BUILDING WITH WESTERN ROOFING SERVICE

I. RECOMMENDED ACTION

- 1) That the Board of Directors authorize the General Manager to execute a contract for roof restoration on Metro's Operations Building located at 1200 River Street, Santa Cruz with Western Roofing Service for an amount not to exceed \$26,625.
- 2) That the Board of Directors authorize the transfer of \$5,025 from Non-Revenue Vehicle Replacement to support the additional cost required for this project.

II. SUMMARY OF ISSUES

- A competitive procurement was conducted to solicit bids from qualified firms.
- Three firms submitted bids for the District's review.
- District staff has reviewed all submitted bids.
- District staff is recommending that a contract be established with Western Roofing Service for roof restoration on Metro's Operations Building located at 1200 River Street, Santa Cruz for an amount not to exceed \$26,625.
- A transfer of \$5,025 from Non-Revenue Vehicle Replacement will be needed to support the additional cost required for this project.

III. DISCUSSION

The roof on the Operation's Building is in poor condition and in need of repairs and restoration. On November 14, 2007, District Invitation for Bid No. 08-13 was mailed to twelve roofing contractors, was legally advertised, and a notice was posted on the District's web site. On December 14, 2007, bids were received and opened from three firms. A list of firms and a summary of the bids received are provided in Attachment A. District staff has reviewed all submitted bids.

District staff is recommending that a contract be established with Western Roofing Service to provide roof restoration on Metro's Operations Building located at 1200 River Street, Santa Cruz for an amount not to exceed \$26,625. Contractor will provide all equipment and materials meeting all District specifications and requirements.

IV. FINANCIAL CONSIDERATIONS

Funding for this contract is contained in the capital improvement budget (\$25,600). Additional funds (\$5,025) will need to be transferred into this project from the Non-Revenue Vehicle Replacement capital budget.

V. ATTACHMENTS

Attachment A: Summary of Bids Received

Attachment B: Contract with Western Roofing Service

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

**Invitation for Bids No. 08-13 for Roof Restoration on
METRO's Operations Building, 1200 River Street**

Summary of Bids Received

<u>Bidder</u>	<u>Bid Amount</u>
1. Western Roofing Service of San Francisco, CA	\$26,625
2. Louis & Riparetti of Scotts Valley, CA	\$31,055
3. Best Contracting Services of Hayward, CA	\$39,456

CONTRACT FOR ROOF RESTORATION SERVICES (08-13)

THIS CONTRACT is made effective on January 1, 2008 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("District"), and **WESTERN ROOFING SERVICE** ("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 Roof Restoration of Metro's Operation Building

District requires the services to provide roof restoration of Metro's Operation building to be used for standard purposes. In order to obtain said roof restoration of Metro's Operation building, the District issued an Invitation for Bids, dated November 14, 2007 setting forth specifications for such roof restoration of Metro's Operation building. The Invitation for Bids is attached hereto and incorporated herein by reference as Exhibit A.

1.03 Contractor's Bid Form

Contractor is a supplier of roofing services desired by the District and whose principal place of business is 2594 Oakdale Avenue, San Francisco, CA. Pursuant to the Invitation for Bids by the District, Contractor submitted a bid for Provision of said roof restoration of Metro's Operation building, which is attached hereto and incorporated herein by reference as Exhibit B.

1.04 Selection of Contractor and Intent of Contract

On December 21, 2007 District selected Contractor as the lowest responsive, responsible bidder to provide said equipment. The purpose of this Contract is to set forth the provisions of this procurement.

1.05 Contractor and Supplier Synonymous

For the purposes of this Contract, the terms "contractor" and "supplier" are synonymous.

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 of the General Conditions of the Contract.

a) Exhibit A

Santa Cruz Metropolitan Transit District's "Invitation for Bids" dated November 14, 2007.

b) Exhibit B (Bid Form)

Contractor's Bid Form to the District for Item, signed by Contractor and dated December 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 supersede Exhibit B.

2.03 Recitals

The Recitals set forth in Article 1 are part of this Contract.

3. TIME OF PERFORMANCE

3.01 General

Contractor shall perform work under this Contract at such times to enable it to meet the time schedules specified in the Specifications Section of the IFB. The Contractor shall not be responsible for delays caused by force majeure events described in Section 2 of the General Conditions of the Contract.

3.02 Term

The term of this Contract commences on the date of execution and shall remain in force for a one (1) year period thereafter. District and Contractor may extend the term of this Contract at any time for any reason upon mutual written consent.

4. COMPENSATION

4.01 Terms of Payment

Upon written acceptance, District agrees to pay Contractor as identified in the Bid Form, Exhibit B, not to exceed \$26,625 for satisfactory completion of all work under the terms and provisions of this Contract within thirty (30) days thereof. Contractor understands and agrees that if he/she exceeds the \$26,625 maximum amount payable under this contract, that it does so at its own risk.

4.02 Invoices

Contractor shall submit an invoice with a purchase order number provided by the District upon successful completion of all work. Contractor's invoices shall include detailed records. Expenses shall only be billed if allowed under the contract.

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 services. No expenses shall be paid by the District unless specifically allowed by this contract.

5. 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

Western Roofing Service
2594 Oakdale Avenue
San Francisco, CA 94124

Attention: President

6. 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 it. 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—WESTERN ROOFING SERVICE

By _____
Mark G. Bledsoe
President

Approved as to Form:

Margaret Rose Gallagher
District Counsel

EXHIBIT -A-

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**Invitation for Bids (IFB) For
Roof Restoration On METRO's Operations Building,
1200 River Street, Santa Cruz**

District IFB No. 08-13

Date Issued: November 14, 2007

Bid Deadline: 2:00 p.m., December 14, 2007



Contents of this IFB

Part I.	Bid Form
Part II.	Instructions to Bidders
Part III.	Specifications
Part IV.	General Conditions of the Contract
Part V.	Special Conditions of the Contract
Part VI.	Contract
Part VII.	FTA Requirements for Construction Contracts
Part VIII.	Protest Procedures

PART I

BID FORM

The undersigned ("Bidder"), upon acceptance by the District, agrees to furnish all labor, freight, transportation, materials, equipment, services, supplies and other work in accordance with the Invitation for Bids entitled Roof Restoration on Metro's Operation Building, 1200 River Street, Santa Cruz, dated November 14, 2007 at the following prices. The bid prices should include any applicable sales tax.

Item No.	Item Description	Quantity	Price Quotation
1	Total Contract Price to perform roof restoration services to the District's Operations Building at 1200 River Street, Santa Cruz as per specifications and conditions of District IFB No. 08-13.	1 Lot	
2	Labor Rate per hour for dry rot repairs if found.		
3	Markup on material costs needed to make any dry rot repairs if found.		

The successful bidder obligates him/herself to provide any or all of the bid items at the bid price. District reserves the right to award bid items separately or as a package. District may accept or reject the bid items at its discretion. Award of the bid will be based on totals provided for the Base Items, Options shall not be used in the determination of low bid. The Board of Directors also reserves the right to reject all bids for any reason.

Bidder has examined and is fully familiar with all terms and conditions of the Invitation for Bids and any addenda issued by the District thereto, and Bidder unconditionally submits this bid in strict accordance with said Invitation for Bids. Bidder has carefully checked all words and figures shown on this Bid Form and has carefully reviewed the accuracy of all documents, representations, manufacturer's literature, and statements submitted with this bid.

Bidder understands that this bid constitutes a firm offer to the District that cannot be withdrawn for ninety (90) calendar days from the date of bid opening. If awarded the contract, bidder agrees to deliver to the District executed copies of the final contract and required insurance certificates within ten (10) calendar days of the date of the District Notice of Award. Said Notice of Award shall be deemed duly given to Bidder upon delivery if delivered by hand, or three (3) calendar days after posting if sent by mail to Bidder's address.

Bidder understands that no partial, conditional or qualified bids shall be accepted for any bid item. Bidder further understands the right of the District Board of Directors to accept or reject any or all bids received for any reason. The District reserves the right to waive minor irregularities.

Bidder has included manufacturers' brochures describing the equipment bid under this IFB. Any proposed deviation from any item in the IFB specifications has been delineated on said brochures or on a separate attachment included with the bid. Bidder represents that the equipment and other work bid meets the specifications in all respects unless clearly noted to the contrary in the bid submittal.

The contract, if awarded, will be to the lowest responsive, responsible bidder. Bidder understands that the "lowest responsible bidder" is the lowest bidder whose offer best responds in quality, fitness and capacity to the requirements of the Invitation for Bids. The District reserves the right to award to other than the lowest bidder if the District finds that the lowest bidder is not responsible.

Bidder acknowledges receipt of the following addenda to the Invitation for Bids. All cost adjustments or other requirements resulting from said addenda have been taken into consideration by the bidder and included in the bid.

Addenda No.'s _____

Bidder has submitted the following documents with the bid:

1. Exceptions, if any, taken to the specifications or other sections of the IFB. (Warning: Substantive exceptions will be cause for bid rejection.)
2. Copy of any standard warranties in accordance with the Specifications.
3. Manufacturer's specifications, description, promotional material describing the item bid.
4. Fully executed copy of the "Lobbying Certification" listed as Page I-4 of the Bid, if applicable
5. Fully executed copy of the "Buy America Provision Certification" listed as Page I-5 of the Bid, if applicable.

Bidder understands that bids shall be placed in a sealed envelope marked as indicated below and delivered to the Purchasing Office of the Santa Cruz Metropolitan Transit District, 110 Vernon Street, Suite B, Santa Cruz, California, 95060 prior to the time of bid opening. Bids postmarked before bid opening but delivered afterward shall be rejected.

IFB No. 08-13
"Operations Building Roof Restoration"
Bid Opening 2:00 p.m., December 14, 2007

Bidder has full power and authority to enter into and perform the work described in the Invitation for Bids on behalf of the company noted below.

Company Name

Indicate:

Sole Proprietorship Partnership Corporation

Joint Venture with _____

Street Address

City, State, Zip Code

Signature of authorized company official

Typewritten name of above and title

Name, title, and email address of person to whom correspondence should be directed

Telephone Number

FAX Number

Date

Federal Tax ID No.

The Santa Cruz Metropolitan Transit District is a special purpose District and is a subdivision of the State of California.

Listing of major subcontractors 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 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: _____

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: _____

BIDDER DBE INFORMATION

BIDDER'S NAME _____
 DBE GOAL FROM CONTRACT _____ %
 FED. NO. _____
 COUNTY _____
 AGENCY _____
 CONTRACT NO. _____

BIDDER'S ADDRESS _____

 BID AMOUNT \$ _____
 BID 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 bid or 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
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TOTAL CLAIMED DBE
 PARTICIPATION \$ _____ %

 SIGNATURE OF BIDDER

 DATE

 AREA CODE/TELEPHONE

(Detach from proposal if DBE information is not submitted with bid.)

- * 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 bids 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.

BIDDER 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
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TOTAL CLAIMED DBE PARTICIPATION \$ _____ %

PART II

INSTRUCTIONS TO BIDDERS

1. **CONTENTS:** This Invitation for Bids (IFB) includes the (I) Bid Form, (II) Instructions to Bidders, (III) Specifications, (IV) General Conditions of the Contract, (V) Special Conditions of the Contract, (VI) Contract, (VII) FTA Requirements for Non-Construction Contracts, and (VIII) Formal Bidding Procedures. The final Contract with the Successful Bidder will be in the form and substance of the Contract (Part VI) included in the IFB.
2. **SUBMISSION OF BID:** Prior to the date and time of bid opening, all bids shall be delivered to the Purchasing Office of the District at 110 Vernon Street, Suite B, Santa Cruz, California, 95060. All bids shall be in a sealed envelope properly endorsed as to name and opening date. No bids received after said time or at any place other than the place as stated in the Notice and Invitation to Bidders will be considered. For example, bids postmarked before bid opening but received after shall be rejected. Telephone or electronic bids will not be accepted.
3. **BIDDER RESPONSIBILITY:** The District has made every attempt to provide all information needed by bidders for a thorough understanding of project terms, conditions and other requirements. It is expressly understood that it is Bidder's responsibility to examine and evaluate the work required under this Invitation for Bids (IFB) and the terms and conditions under which the work is performed. By submitting a bid, Bidder represents that it has investigated and agrees to all the terms and conditions of the IFB.
4. **BID FORM:** The bid shall be made on the Bid Form provided therefore and shall be enclosed in a sealed envelope marked and addressed as required. If the bid is made by a sole proprietor, it shall be signed with his/her full name and his address shall be given; if it is made by a partnership, it shall be signed with the co-partnership name by a member of the firm, who shall also sign his/her own name, and the name and address of each member shall be given; and if it is made by a corporation, it shall be signed by an officer or other individual who has the full and proper authorization to do so.

When the Bid Form is signed by an agent, other than the officer or officers of a corporation authorized to sign Contracts on its behalf, or is signed by an agent other than a partner of a partnership, or by an agent for an individual, a power of attorney must be submitted with the bid; otherwise, the bid will be rejected as irregular and unauthorized.

Blank spaces in the Bid Form shall be properly filled. The phraseology of the Bid Form must not be changed, and no additions shall be made to the items mentioned therein. Alterations by erasure or interlineation must be explained or noted in the bid over the signature of the Bidder. If the unit price and the total amount named by a Bidder for any item do not agree, the unit price alone will be considered as representing the Bidder's intention.

Submission of alternative bid or bids, except as specifically called for in the IFB, will render it informal and may cause its rejection.

5. **COMPETITIVE BIDDING:** If more than one bid is offered by any individual, firm, partnership, corporation, association, or any combination thereof, under the same or different names, all such bids may be rejected. A party who has quoted prices on materials or work to a Bidder is not thereby disqualified from quoting prices to other Bidders, or from submitting a bid directly for the materials or work if otherwise qualified to do so.

All Bidders are put on notice that any collusive agreement fixing the prices to be bid so as to control or affect the awarding of this Contract is in violation of the District's competitive bidding requirements and may render void any Contract let under such circumstances.

6. **EXPENSES TO BE INCLUDED IN BID PRICE:** Unless otherwise specified in the IFB, the bid price shall include all expenses necessary that go into making the items procured under the IFB complete and ready for immediate use by the District without additional expense. Bid price shall include, without limitation, all costs for labor, services, equipment, materials, supplies, transportation, installation, overhead, packing, cartage, insurance, license, fees, taxes, permits, bonds, inspection, and other expenses necessary to satisfy the provisions of the IFB, expressed and implied.

Unless bidder is specifically instructed to do otherwise in the Specifications section of this IFB, sales taxes shall be included in the bid price in the amount of 8.25 % of the total bid price. Federal Excise Tax, from which the District is exempt, should not be included in the bid price. A Federal Excise Tax Exemption certificate will be furnished to the successful Bidder.

Samples of items, when required, must be furnished free of expense to the District and, if not destroyed by tests may, upon request made at the time the samples are furnished, be returned at Bidder's expense.

7. **WITHDRAWAL OF BID:** Bidder may withdraw the bid before the expiration of the time during which bids may be submitted, without prejudice, by submitting a written request for its withdrawal to the District Secretary/General Manager.
8. **TIME OF DELIVERY:** Time of delivery is part of the bid and must be strictly adhered to by the Bidder. Bidder obligates itself to complete the work within the number of days specified in the Contract.
9. **CANVASS OF BID:** At the hour specified in the Notice of Invitation to Bidders, the District, in open session, will open, examine and publicly declare all bids received and shall announce each bidder's price. The remaining content of the bids shall not be made public until after an award is made by the Board of Directors or District Staff as appropriate. Bidders, their representatives and others interested, are invited to be present at the opening of bids. Award will be made or bids rejected by the District within the time period specified in the Bid, if none is specified, within sixty (60) days after the date of bid opening.
10. **RIGHT TO REJECT BIDS:** The District may reject any and all bids at its discretion, and may reject the bid of any party who has been delinquent or unfaithful in any former contract with the District. The right is reserved to reject any or all bids and to waive technical defects, as the interest of the District may require. The District may reject bids from Bidders who cannot satisfactorily prove the experience and qualifications outlined in the Instructions to Bidders.
11. **SINGLE BID:** If only one bid is received in response to the IFB, Bidder may be required to submit to District within five (5) days of District demand, a detailed cost proposal. The District may conduct a cost or price analysis of the cost proposal to determine if the bid price(s) are fair and reasonable. Bidder shall cooperate with District in compiling and submitting detailed information for the cost and price analysis.
12. **EXPERIENCE AND QUALIFICATIONS:** The Bidder may be required upon request of the District to prove to the District's satisfaction that the Bidder is responsible. Criteria used by the District to determine Bidder responsibility includes, without limitation, whether Bidder and its proposed contractors have the skill, experience, necessary facilities and financial resources to perform the Contract in a satisfactory manner and within the required time. Other criteria include whether the original equipment manufacturer of the items bid (1) has in operation, or has the capability to have in operation, a manufacturing plant adequate to assure delivery of all equipment within the time specified under the Contract and (2) has adequate engineering and service personnel, or has the capability to have such personnel, to satisfy any engineering or service problems that may arise during the warranty period and the useful life of all items bid. To help the District assess Bidder's responsibility and ability to provide continued parts, service, and engineering support for the useful life of all items bid, Bidder may be required to submit, at its own cost, its latest Dunn & Bradstreet report and its latest independently audited financial statements.
13. **APPROVED EQUALS:** In order to establish a basis of quality, certain items or processes may be specified by description or brand name. Unless otherwise specified, it is not the intent of the IFB to exclude other items or processes of equal value, utility or merit.

Bids for equivalent items meeting the standards of quality thereby indicated will be considered provided they are received by no later than fourteen calendar days before the date of bid opening. Any such bid shall include adequate information and samples, including technical data, test results, performance characteristics, life-cycle costs, and other salient characteristics to clearly describe the item or process offered and how it equals or exceeds the characteristics of the referenced brand or process.

Unless the Bidder clearly indicates otherwise in the bid, it is understood that he/she is offering a referenced brand or process as specified herein. The District reserves the right to determine whether a substitute offer is equivalent to, and meets the standards of, quality indicated by the brand name or process referenced.

14. **AWARD OF CONTRACT:** The award of the Contract, if awarded, will be to the responsive, responsible Bidder whose bid complies with the IFB in all respects, and whose ADJUSTED BID PRICE is the lowest of all qualified bids received. The methodology for determining the adjusted bid price is described in the Bid Form (Part I of the IFB). If the lowest responsive, responsible Bidder refuses or fails to execute the Contract, the District may award the Contract to the next lowest responsive, responsible Bidder or solicit new bids.
15. **EXECUTION OF CONTRACT:** The Contract shall be provided by the District in substantially the same form as provided in Part VI and shall be executed by the successful Bidder and returned to the District Purchasing Office (110 Vernon Street, Suite B, Santa Cruz, CA 95060) no later than ten (10) calendar days after the date of receipt of the Notice of Award. Successful Bidder shall submit the required insurance certificate(s) no later than ten (10) days after receipt of Notice of Award. Successful Bidder's execution and delivery of the insurance certificate(s) specified in the IFB is a condition precedent to the finalization of the Contract. In no event shall the successful Bidder commence work until it has received the signed Contract and notification from the District that the required insurance certificate(s) have been approved.
16. **ERRORS AND ADDENDA:** If omissions, discrepancies, or apparent errors are found in the IFB prior to the date of bid opening, the Bidder shall request a clarification from the District which, if substantiated, will be given in the form of addenda to all Bidders.
17. **NON-DISCRIMINATION:** The Santa Cruz Metropolitan Transit District will not discriminate with regard to race, color, ancestry, national origin, religion, sex, sexual orientation, marital status, age, medical condition or disability in the consideration for an award.
18. **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) in all areas of District contracting to the maximum extent practicable. Consistent with the DBE Policy, the Bidder 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.
19. **INQUIRIES AND CORRESPONDENCE DURING BIDDING PERIOD:** Written questions pertaining to the specifications, work requirements, terms, conditions and the bid documents during the bidding period shall be directed to the District Buyer at 110 Vernon Street, Suite B, Santa Cruz, CA 95060 or his email address is: **llongnecker@scmtd.com**.
20. **BIDDER'S SECURITY:** A bid guarantee is to be submitted with the bid in the amount of five percent (5%) of the bid price. The bid guarantee shall be in the form of a cashier's or certified check; a bid bond, or an irrevocable letter of credit.
21. **PERFORMANCE AND PAYMENT BONDS:** A Performance Bond in the amount of 100% of the total Contract price, as awarded by the District shall be provided within ten (10) days after notice of award. Said bond shall guarantee the Contractor's faithful performance of the Contract and compliance with all terms, conditions and requirements specified in the Contract Documents and shall remain in full force and effect up to and including the date of the District's acceptance.

A Payment Bond shall be provided within ten (10) days after notice of award. Said bond shall assure payment, as required by law, of all persons supplying labor and material in the execution of work provided in the contract. Payment bond amounts required from Contractor are as follows:

- (1) 50% of the contract price if the contract price is not more than \$1 million;
- (2) 40% of the contract price if the contract price is more than \$1 million but not more than \$5 million; or
- (3) \$2.5 million if the contract price is more than \$5 million.

22. **PREVAILING WAGES:** Pursuant to Section 1773 of the Labor Code, the general prevailing rate of wages in the District has been determined by the Director of the Department of Industrial Relations, and such prevailing rate of wages is listed in the State of California, Department of Industrial Relations publication entitled General Prevailing Wage Rates, current edition, available by going to the world wide web at the following address:
<http://www.dir.ca.gov/dlsr/main.htm>.

22. No laborer employed directly upon the site of the work shall receive less than the prevailing wage rates as determined by the Director of the Department of Industrial Relations.

PART III

SPECIFICATIONS FOR ITEM

1. General Description

The Santa Cruz Metropolitan Transit District (METRO) invites roofing contractors to submit a bid on the restoration of the roof of METRO's Operation Building located at 1200 River Street, Santa Cruz, California. The specifications described below set forth the minimum requirements for the quantity and quality of work to be provided hereunder. The Contractor shall meet or exceed the specifications attached hereto. As used herein, the term "work" refers to the articles, equipment, materials, supplies and labor as specified, designated or otherwise required by the Invitation for Bids (IFB). Additional terms, conditions and requirements pertaining to the methods and manner of performing the work are described elsewhere in the IFB.

Except where specified to the contrary herein, all work shall be new and shall be supplied with the equipment and accessories indicated as standard equipment in manufacturer's published descriptions, owner's manuals, and other literature for said work. No advantage shall be taken by the bidder in omitting any unspecified minor article that goes into making the unit complete. Brand Names described below are used to indicate levels of quality. Approved equals requests must be made fourteen (14) days in advance of the bid date.

2. Specifications and Work Requirements

- 2.1 Approximate square footage of roofing requirements: 8,900 square feet
- 2.2 Contractor shall prepare the roof by pressure washing the existing roof system.
- 2.3 Make repairs to existing roof membrane as necessary. All repairs are to ensure a watertight surface.
- 2.4 Re-caulk any existing sheet metal flashings with a urethane caulk.
- 2.5 Any roof penetrations are to be stripped in with a three course flashing assembly consisting of alternate layers of flashing grade gel and polyester fabric.
- 2.6 Over a properly prepared surface, apply TOPCOAT MB PLUS (or equal) base coat at a rate of 1-1/4 gallons per 100 square feet.
- 2.7 Over the base coat, apply TOPCOAT MB PLUS (or equal) low VOC polymeric membrane at a rate of 1-3/4 gallons per 100 square feet.
- 2.8 Clean up all debris and remove from the premises.

3. Polymeric Roof Material Specifications

- 3.1 Energy Star qualified high reflectivity.
- 3.2 Materials used must be compliant with Title 24, Part 6, of the California Code of Regulations: California's Energy Efficiency Standards for Residential and Nonresidential Buildings.
- 3.3 Liquid applied membrane with $65 \pm 2\%$ total solids (by weight).
- 3.4 $54\% \pm 2\%$ total solids (by volume).
- 3.5 Wet Mil Thickness: 16 wet mils per coat.
- 3.6 Dry Mil Thickness: 9 dry mils per coat.
- 3.7 Viscosity (75 Degrees F): $15,000 \pm 2,000$ cps.
- 3.8 Elongation: 275%.
- 3.9 Tensile Strength: 150 psi.
- 3.10 Clean-up: water before curing.
- 3.11 Low VOC and non-flammable.

4. Warranty

- 4.1 Contractor shall provide a five (5) year labor warranty for all work done.

4.2 Roof product applied shall have a five (5) year warranty

5. Dry-Rot Repairs

Contractor shall quote a rate per hour for repair of any dry-rot that may be discovered upon preparation for roof system. Contractor shall also indicate any markup on material costs needed to make repairs. District must approve any repairs prior to start of repair.

6. Job Site Inspection Prior to Bid

Bidders may contact Sheldon Njaa, Supervisor of Facilities Maintenance at (831) 426-6080, extension 117 to make an appointment to view the Operations roof prior to bidding.

PART IV

GENERAL CONDITIONS TO THE CONTRACT

I. 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.

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.

3.2 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.
 - (b) Full Personal Injury coverage.
 - (c) Broad form Property Damage coverage.
 - (d) A cross-liability clause in favor of the District.

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.

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.

11. 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.

11.2 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 comply with Federal Transit Administration's (FTA) drug and alcohol testing regulations, 49 CFR Parts 653 and 654. 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

Time is of the essence in this Contract.

PART V

SPECIAL CONDITIONS OF THE CONTRACT

1. BASIC SCOPE OF WORK

1.01 Basic Scope of Work

Contractor shall, without limitation, furnish and deliver equipment in accordance with the "Specifications" section of the Invitation for Bids, dated November 14, 2007.

2. DEFINITIONS

2.01 General

The terms (or pronouns in place of them) have the following meaning in the Contract.

2.01.01 ACCEPTANCE DATE - The date on which delivery is deemed to be complete in accordance with the provisions of the Contract and accepted in writing by the District.

2.01.02 CONTRACT - The Contract consists of this document, the attachments incorporated herein in accordance with Article 2 of Part VI - "Contract for ITEM," and any written amendments made in accordance with Article 13.14 of Part IV - "General Conditions of the Contract".

2.01.03 CONTRACTOR - Synonymous with Bidder.

2.01.04 DAYS - Calendar Days

2.01.05 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.

2.01.06 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.

3. BUY AMERICA CERTIFICATE

Contractor shall comply with the requirements of Section 165(a) of the Surface Transportation Assistance Act of 1982 and the applicable regulations in 49 Code of Federal Register Part 661. As evidence of Contractor's knowledge and understanding and certification of intention of compliance, Contractor has executed a Buy America Certificate, which is included as part of the "Bid Form" and incorporated herein by reference. If steel and manufactured products are needed by Contractor for its performance under the provisions of the Contract, Contractor shall only use steel and manufactured products that were produced in the United States.

4. LIQUIDATED DAMAGES

If the work is not completed within the time required, damage will be sustained by the District. It is, and will be impracticable and extremely difficult to ascertain and determine the actual damage which the District will sustain by reason of such delay; and it is therefore agreed that the Contractor shall pay to the District fifty dollars (\$50.00) for each and every day's delay in finishing the Work beyond the time prescribed. If the Contractor fails to pay such liquidated damages, the District may deduct the amount thereof from any money due or that may become due the Contractor under the Contract.

The Work shall be regarded as completed upon the date the District has accepted the same in writing.

5. STATE CONTRACT PROVISIONS

- 5.01 In the performance of work under these provisions, Contractor and its subcontractors will not discriminate against any employee or applicant for employment because of race, religious creed, medical condition, color, marital status, ancestry, sex, age, national origin, or physical handicap (Government Code Section 12940 et seq.). Contractor and all its subcontractors will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, religious creed, medical condition, color, marital status, ancestry, sex, age, national origin, or physical handicap. such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Contractor and its subcontractors shall post in conspicuous places, available to employees and applicants for employment, notice to be provided by STATE setting for the provisions of this section.
- 5.02 Contractor and its subcontractors will permit access to all records of employment, employment advertisements, application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by STATE, for the purpose of investigation to ascertain compliance with Section 1 of this Article.
- 5.03 Contractor shall establish and maintain an accounting system and records that properly accumulate and segregate incurred costs by line item for the project. Contractor's accounting system shall conform to generally accepted accounting principles (GAAP), enable to determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices. All accounting records and other supporting papers of Contractor connected with performance under this Agreement shall be maintained for a minimum of three years from the date of final payment to District under these provisions and shall be held open to inspection and audit by representatives of STATE and the Auditor General of the State and copies thereof will be furnished upon request.
- 5.04 Contractor agrees that contract cost principles at least as restrictive as 48 CFR, Federal Acquisition Regulation System, Chapter 1 Part 31, shall be used to determine the allowability of individual items of costs. Contractor also agrees to comply with Federal procedures as set forth in 49 CFR, Part 18, Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments.
- 5.05 For the purpose of determining compliance with Public Contract Code Section 10115, et seq., Military and Veterans Code Sections 999 et seq. and Title 2, California Code of Regulations, Section 1896.60 et seq., when applicable, and other matters connected with the performance of District's contracts with third parties pursuant to Government code Section 10532, Contractors and subcontractors shall maintain all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including but not limited to, the costs of administering the various contracts. Contractor and its subcontractors shall make such materials available at their respective offices at all reasonable times during the contract period and for three years from the date of final payment under such contract. STATE, the State Auditor General, the Federal Highway Administration, or any duly authorized representative of the Federal Government shall have access to any books, records and documents that are pertinent to the Agreement for audits, examinations, excerpts, and transactions and copies thereof shall be furnished if requested.

6. LABOR HARMONY REQUIREMENT

The construction manager/general and sub-contractor(s) at all tiers must be able to furnish labor that can work in harmony with all other elements employed or to be employed in conjunction with the construction work on the site. Without limiting the generality of the foregoing, 'labor harmony' shall include a provision of labor that will not cause, cause to be threatened, engage in, or give rise to, either directly or indirectly, any work disruption, slowdowns

or stoppages, or any violence or harm to any persons or property while performing any work or activities affecting the project in any way, including but not limited to: (1) traveling to and from the work site; (2) loading, transporting and off-loading of equipment and materials on the construction site; (3) delivery, receipt and unloading of material or equipment, or the provision or receipt of any construction-related services at any designated storage area, or the work site; (4) the performing of the work of the contract at the work site; and on non-working time associated with the above while employees are on site (e.g. lunch hours, breaks, queuing for transportation, etc.).

If a contractor causes any work disruption, slowdowns or work stoppages as a result of its inability to ensure labor harmony, that contractor shall pay to District the sum of \$100 per day as liquated damages while such work disruption, slowdown or work stoppage is underway. As an independent and further remedy, District reserves the right to order the offending contractor to cease work on the project until such time as the work disruption, slowdown or stoppage is resolved and, if the work disruption, slowdown or stoppage is not resolved in District's opinion, within a reasonable period of time, District reserves the right to withdraw the contract from the contractor and to put such contract or remainder of such contract out for re-bid.

If District claims that this provision has been violated, the contractor(s) must agree to submit the issue to emergency arbitration for final and binding resolution. The permanent arbitrator over such disputes shall be the Honorable Nat Agliano, retired or, if he is unavailable, the Honorable Richard Silver, retired. If they decline to serve and the parties are unable to agree on an acceptable alternative, the arbitrator will be selected by petition to the Superior Court for the County of Santa Cruz. The Arbitrator's authority shall be limited to a determination of whether the Labor Harmony requirement has been violated and, if so, what shall be the remedy.

PART VI

CONTRACT FOR ROOF RESTORATION SERVICES (08-13)

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 Roof Restoration of Metro's Operation Building

District requires the services to provide roof restoration of Metro's Operation building to be used for standard purposes. In order to obtain said roof restoration of Metro's Operation building, the District issued an Invitation for Bids, dated November 14, 2007 setting forth specifications for such roof restoration of Metro's Operation building. The Invitation for Bids is attached hereto and incorporated herein by reference as Exhibit A.

1.03 Contractor's Bid Form

Contractor is a supplier of roofing services desired by the District and whose principal place of business is _____. Pursuant to the Invitation for Bids by the District, Contractor submitted a bid for Provision of said roof restoration of Metro's Operation building, 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 lowest responsive, responsible bidder to provide said equipment. The purpose of this Contract is to set forth the provisions of this procurement.

1.05 Contractor and Supplier Synonymous

For the purposes of this Contract, the terms "contractor" and "supplier" are synonymous.

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 of the General Conditions of the Contract.

a) Exhibit A

Santa Cruz Metropolitan Transit District's "Invitation for Bids" dated November 14, 2007.

b) Exhibit B (Bid Form)

Contractor's Bid Form to the District for Item, signed by Contractor and dated December 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 supersede Exhibit B.

2.03 Recitals

The Recitals set forth in Article 1 are part of this Contract.

3. TIME OF PERFORMANCE

3.01 General

Contractor shall perform work under this Contract at such times to enable it to meet the time schedules specified in the Specifications Section of the IFB. The Contractor shall not be responsible for delays caused by force majeure events described in Section 2 of the General Conditions of the Contract.

3.02 Term

The term of this Contract commences on the date of execution and shall remain in force for a one (1) year period thereafter. District and Contractor may extend the term of this Contract at any time for any reason upon mutual written consent.

4. COMPENSATION

4.01 Terms of Payment

Upon written acceptance, District agrees to pay Contractor _____ as identified in the Bid Form, Exhibit B, not to exceed \$_____, for satisfactory completion of all work under the terms and provisions of this Contract within thirty (30) days thereof. Contractor understands and agrees that if he/she exceeds the \$_____ maximum amount payable under this contract, that it does so at its own risk.

4.02 Invoices

Contractor shall submit an invoice with a purchase order number provided by the District upon successful completion of all work. Contractor's invoices shall include detailed records. Expenses shall only be billed if allowed under the contract.

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 services. No expenses shall be paid by the District unless specifically allowed by this contract.

5. 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

Attention: _____

6. 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 it. 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 VII

FEDERAL TRANSIT ADMINISTRATION REQUIREMENTS FOR 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 delegate 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 EQUAL EMPLOYMENT OPPORTUNITY

3.1 Nondiscrimination

- a. Instructions: All construction contracts in excess of \$10,000 by grantees and their contractors or subgrantees shall contain a provision requiring compliance with Executive Order 11246 entitled, "Equal Employment Opportunity", as amended by Executive Order 11375, and as supplemented in Department of Labor Regulations (41 CFR Part 60). The following clauses shall be included.
- b. Mandatory Language: "During the performance of this contract, the contractor agrees as follows:
 - (1) 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 the District deems appropriate. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, age or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination, rates of pay or other forms of compensation; and, selection of training including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
 - (2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age or national origin.
 - (3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice advising the said labor union or workers' representatives of the contractor's commitments under this Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

- (4) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965 as amended by Executive Order 11375 and with the rules, regulations and relevant orders of the Secretary of Labor.
- (5) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965 and by rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the Federal Transit Administration and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
- (6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this agreement or with any of the said rules, regulations or orders, this agreement may be canceled, terminated or suspended in whole or in part. The contractor may be declared ineligible for further Government contracts or Federally assisted construction contracts or Federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, as amended, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation or order of the Secretary of Labor or as otherwise provided by law.
- (7) The contractor will include a citation to 42 CFR Part 60-1 (b) and (c) and the provisions of paragraphs (1) through (7) herein, in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375. Such provisions shall be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as 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 vendor as a result of such direction by the Federal Transit Administration, may direct as a means of enforcing such provisions, including sanctions for non-compliance, provided, however, that in the event a contractor becomes involved in, or is threatened with litigation with a subcontractor or vendor as a result of such litigation to protect the United States."
- (8) The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than 30 days from the receipt of each payment the prime contractor received from District. The prime contractor agrees to further return retainage payments to each subcontractor within 30 days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval by the District. This applies to both DBE and non-DBE subcontractors. These records will be made available for inspection upon request of by any authorized representative if the District or DOT. This reporting requirement also extends to any certified DBE subcontractor.

3.2 Construction Contract Specifications

- a. Instructions for Use: The following clauses must also be included in all construction contracts and subcontracts over \$10,000 in geographical areas designated pursuant to 41 CFR Part 60-4.6.
- b. Mandatory Language: Standard Federal Equal Employment Opportunity Construction Contract Specifications (Executive Order 11246).
 - (1) As used in these Specifications
 - (a) "Covered area" means the geographical area described in the solicitation from which this contract resulted.

- (b) "Director" means Director, Office of Federal Contract Compliance Programs, United States Department of Labor, or any person to whom the Director delegates authority.
- (c) "Employer Identification Number" means the Federal Social Security number used on the employer's quarterly Federal Tax Return, U.S. Treasury Department Form 941.
- (d) "Minority" includes:
- 1) Hispanic (all persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin regardless of race);
 - 2) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin);
 - 3) Asian and Pacific Islander (all persons having origins in any of the original people of the Far East, southeast Asia and the Indian subcontinent, or the Pacific Islands); and,
 - 4) American Indian or Alaskan native (all persons having origins in any of the original people of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).
- (2) Whenever the contractor, or any subcontractor at any tier, subcontracts a portion of the work involving any construction trade, it shall physically include in each subcontract in excess of \$10,000 the provisions of these Specifications and the notice which contains the applicable goals for minority and female participation and which is set forth in the solicitation from which this contract resulted.
- (3) If the contractor is participating (pursuant to 41 CFR Part 60-4.5) in a hometown plan approved by the U. S. Department of Labor in the covered area, either individually or through an association, its affirmative action obligations on work in the plan area (including goals and time- tables) shall be in accordance with that plan for those trades which have unions participating in the plan. Contractors must be able to demonstrate their participation in and compliance with the provisions of any such hometown plan. Each contractor or subcontractor participating in an approved plan is individually required to comply with its obligations under the EEO clause, and to make a good faith effort to achieve each goal under the plan in each trade in which it has employees. The overall good faith performance by other contractors or subcontractors toward a goal in an approved plan does not excuse any covered contractor's failure to make good faith efforts to achieve the plan goals and timetables.
- (4) The contractor shall implement the specific affirmative action standards provided in (7) (a) through (p) of these Specifications. The goals set forth in the solicitation from which this contract resulted are expressed as percentages of the total hours of employment and training of minority and female utilization the contractor should reasonably be able to achieve in each construction trade in which it has employees in the covered area. Covered construction contractors performing construction work in geographical areas where they do not have a Federal or Federally assisted construction contract shall apply the minority and female goals established for the geographical area where the work is being performed. Goals are published periodically in the Federal Register in notice form, and such notices may be obtained from any Federal Contract Compliance Program Office or from Federal Procurement Contracting Officers. The contractor is expected to make substantially uniform progress toward its goals in each craft during the period specified.
- (5) Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the contractor has a collective bargaining agreement, to refer either minorities or women

shall excuse the Contractor's obligations under these Specifications, Executive Orders 11246 and 11375, or the Regulations promulgated pursuant thereto.

- (6) In order for the non-working training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees must be employed by the contractor during the training period, and the contractor must have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees must be trained pursuant to training programs approved by the U. S. Department of Labor.
- (7) The contractor shall take specific affirmative actions to ensure equal employment opportunity. The evaluation of the Contractor's compliance with these Specifications shall be based upon its effort to achieve maximum results from its actions. The contractor shall document these efforts fully, and shall implement affirmative action steps at least as extensive as the following:
 - (a) Ensure and maintain a working environment free of harassment, intimidation and coercion at all sites, and in all facilities at which the contractor's employees are assigned to work. The contractor, where possible, will assign two or more women to each construction project. The contractor shall specifically ensure personnel are aware of and carry out the contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at such sites or in such facilities.
 - (b) Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.
 - (c) Maintain a current file of the names, addresses and telephone numbers of each minority and female off-the-street applicant and minority or female referral service from a union, a recruitment source or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the contractor by the union or if referred, not employed by the contractor, this shall be documented in the file with the reason therefor, along with whatever additional actions the contractor may have taken.
 - (d) Provide immediate written notification to the director when the union or unions with which the contractor has a collective bargaining agreement has not referred to the contractor a minority person or woman sent by the contractor, or when the contractor has other information that the union referral process has impeded the contractor's efforts to meet its obligations.
 - (e) Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and trainee programs relevant to the contractor's employment needs, especially those programs funded or approved by the Department of Labor. The contractor shall provide notice of these programs to the sources compiled under (7)(b) above.
 - (f) Disseminate the contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the company newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the company EEO policy on bulletin

boards accessible to all employees at each location where construction work is performed.

- (g) Review, at least annually, the company's EEO policy and affirmative action obligations under these Specifications with all employees having responsibility for hiring, assignment, layoff, termination or other employment decisions including specific review of these items with on-site supervisory personnel such as superintendents, general foremen, etc., prior to the initiation of construction work at any job site. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed and disposition of the subject matter.
 - (h) Disseminate the contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the contractor's EEO policy with other contractors and subcontractors with whom the contractor does or anticipates doing business.
 - (i) Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations serving the contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the contractor shall send written notification to organizations such as the above, describing the openings, screening procedures and tests to be used in the selection process.
 - (j) Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer and vacation employment to minority and female youth both on the site and in other areas of the contractor's work force.
 - (k) Validate all tests and other selection requirements where there is an obligation to do so under 41 CFR Part 60-3.
 - (l) Conduct at least annually, an inventory and evaluation at least of all minority and female personnel for promotional opportunities, and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.
 - (m) Ensure that seniority practices, job classifications, work assignments and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment-related activities to ensure that the EEO policy and the contractor's obligations under these Specifications are being carried out.
 - (n) Ensure that all facilities and company activities are non-segregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.
 - (o) Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.
 - (p) Conduct a review, at least annually, of all supervisors' adherence to and performance under the contractor's EEO policies and affirmative action obligations.
- (8) Contractors are encouraged to participate in voluntary associations which assist in fulfilling one or more of their affirmative action obligations set forth in paragraphs (7) (a) through (p). The efforts of a contractor association, joint contractor-union, contractor community, or other

similar group of which the contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under (7)(a) through (p) of these Specifications, provided that the contractor actively participates in the group, makes every effort to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the contractor's minority and female work force and participation makes a good faith effort to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the contractor. The obligation to comply, however, is the contractor's and failure of such a group to fulfill an obligation shall not be a defense for the contractor's noncompliance.

- (9) A single goal for minorities and separate single goal for women have been established. The contractor, however, is required to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority. Consequently, the contractor may be in violation of the Executive Order if a particular group is employed in a substantially disparate manner (for example, even though the contractor has achieved its goal for women generally, the contractor may be in violation of the Executive Order if a specific minority group of women is underutilized).
- (10) The contractor shall not use the goals and timetables of affirmative action to discriminate against any person because of race, color, religion, sex, age or national origin.
- (11) The contractor shall not enter into any subcontract with any person or firm debarred from government contracts pursuant to Executive Order 11246, as amended by Executive Order 11375.
- (12) The contractor shall carry out such sanctions and penalties for violation of these Specifications and of the equal opportunity clause, including suspension, termination and cancellation of existing subcontracts as may be imposed or ordered pursuant to Executive Order 11246, as amended, and its implementing regulations by the Office of Federal Contract Compliance Programs. Any contractor who fails to carry out such sanctions and penalties shall be in violation of these Specifications and Executive Order 11246, as amended.
- (13) The contractor, in fulfilling its obligations under these Specifications, shall implement specific affirmative action steps, at least as extensive as those standards prescribed in paragraph (7) of these Specifications, so as to achieve maximum results from its efforts to ensure equal employment opportunity. If the contractor fails to comply with the requirements of the Executive Order, the implementing regulation, or these Specifications, the Director shall proceed in accordance with 41 CFR Part 60-4.8.
- (14) The contractor shall designate a responsible official to monitor all employment related activity to ensure that the company EEO policy is being carried out, to submit reports relating to the provisions herein as may be required by the Government and to keep records. Records shall at least include for each employee the name, address, telephone numbers, construction trade, union affiliation if any, employee identification number when assigned, Social Security number, race, sex, status (e.g., mechanic, apprentice, trainee, helper or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay and locations at which the work was performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing record satisfy this requirement, contractors shall not be required to maintain separate records.
- (15) Nothing herein shall be construed as a limitation upon the application of other laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program)." 3.3 Construction Contract Notice

- a. Instructions for Use: The following notice must be included in all construction subcontracts over \$10,000 in geographical areas designated pursuant to 41 CFR Part 60-4.2.
- b. Mandatory Language: "Notice of Requirement For Affirmative Action to Ensure Equal Employment Opportunity (Executive Order 11246):
 - (1) The offeror's or bidder's attention is called to the 'Equal Opportunity Clause' and the 'Standard Federal Equal Employment Opportunity Construction Contract Specifications' set forth herein.
 - (a) The goals and timetables for minority and female participation, expressed in percentage terms for the contractor's aggregate work force in each trade on all construction work in the covered area, are as follows:

These goals are applicable to all the contractor's construction work (whether or not it is Federal or Federally assisted) performed in the covered area. If the contractor performs construction work in a geographical area located outside the covered area, it shall apply the goals established for such geographical area where the work is actually performed. With regard to this second area, the contractor also is subject to the goals for both its Federally involved and non-Federally involved construction.
 - (b) The contractor's compliance with the Executive Order and the regulations in 41 CFR Part 60-4 shall be based on its implementation of the Equal Opportunity clause, specific affirmative action obligations required by the Specifications set forth in 41 CFR Part 60-4.3(a), and its efforts to meet the goals. The hours of minority and female employment and training must be substantially uniform throughout the length of the contract, and in each trade, and the contractor shall make a good faith effort to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from contractor to contractor or from project to project for the sole purpose of meeting the contractor's goals shall be a violation of the contract, the Executive Order, and the regulations in 41 CFR Part 60-4. Compliance with the goals will be measured against the total work hours performed.
 - (3) The contractor shall provide written notification to the Director of the Office of Federal Contract Compliance programs within 10 working days of award of any construction subcontract in excess of \$10,000 at any tier for construction work under the contract resulting from this solicitation. The notification shall list the name, address and telephone number of the subcontractor; employer identification number of the subcontractor; estimated dollar amount of the subcontract; and, the geographical area in which the contract is to be performed.

4.0 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:

4.1 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.

4.2 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.

4.3 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.

4.4 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.

4.5 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.

4.6 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.

5.0 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).

6.0 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.).

7.0 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.

8.0 LABOR PROVISIONS - Pursuant to regulations set forth at 29 CFR Part 5, the following provisions shall be incorporated in all construction contracts of \$2,000 or more let by the recipient in carrying out the project.

8.1 Minimum Wages

- a. All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions are as permitted by regulations issued by the Secretary of Labor under the Copeland Act [29 CFR Part 3]), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of 29 CFR 5.5; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein; provided, that the employer's payroll record accurately sets forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of 29 CFR 5.5 and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.
- (1) The contracting officer shall require that any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The contracting officer shall approve an additional classification and wage rate and fringe benefits therefor only when the following criteria have been met:

- (a) The work performed by the classification requested is not performed by a classification in the wage determination; and
 - (b) The classification is utilized in the area by the construction industry; and
 - (c) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.
- (2) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by the contracting officer to the Administration, U.S. Department of Labor, Washington DC 20210. The Administrator, or an authorized representative, will approve, modify or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.
 - (3) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer shall refer the questions including the views of all interested parties and the recommendation of the contracting officer to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.
 - (4) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (a)(1)(B) or (C) of 29 CFR 5.5, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.
- b. Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bonafide fringe benefit or an hourly cash equivalent thereof.
 - c. If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, provided that the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

8.2 Withholding

- a. DOT 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 the contractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of

the project), all or part of the wages required by the contract, DOT may, after written notice to the contractor, sponsor, applicant or owner, take such action as may be necessary to cause the suspension of any further payment, advance or guarantee of funds until such violations have ceased.

8.3 Payrolls and Basic Records

- a. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the project). Such records shall contain the name, address and Social Security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section 1(b) (2)(B) of the Davis-Bacon Act, daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section 1 (b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual costs incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.
 - (1) The contractor shall submit weekly for each week in which any contract work is performed, a copy of all payrolls to the grantee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 5.5 (a)(3) of Regulations, 29 CFR Part 5. This information may be submitted in any form desired. Optional form WH-347 is available for this purpose and may be purchased from the Superintendent of Documents (Federal stock number 029-005-00014-1) U.S. Government Printing Office, Washington DC 20402. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors.
 - (2) Each payroll submitted shall be accompanied by a "Statement of Compliance", signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:
 - (a) That the payroll for the payroll period contains the information required to be maintained under Section 5.5(a)(3)(i) of Regulations. 29 CFR Part 5 and that such information is correct and complete.
 - (b) That each laborer or mechanic (including each helper, apprentice and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in regulations 29 CFR Part 3.
 - (c) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

- (3) The weekly submission of a properly executed certification set forth on the reverse side of optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of 29 CFR Section 5.5.
- (4) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.
- b. The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of 29 CFR Section 5.5 available for inspection, copying or transcription by authorized representatives of DOT or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the Federal agency may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR Section 5.12.

8.4 Apprentices and Trainees -- Apprentices

- a. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training, or with a state apprenticeship agency recognized by the Bureau, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Bureau of Apprenticeship and Training or a state apprenticeship agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rates specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeyman's hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringe benefits shall be paid in accordance with that determination. In the event the Bureau of Apprenticeship and Training, or a state apprenticeship agency recognized by the Bureau, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.
- b. Trainees. Except as provided in 29 CFR Section 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training

Administration. The ratio of trainees to journeymen on the site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman's hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman's wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

- c. Equal Employment Opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

8.5 Compliance with Copeland Act Requirements

The contractor shall comply with the requirements of 18 U.S.C. 874 and 29 CFR Part 3, which are incorporated by reference. This act provides that each contractor or subgrantee shall be prohibited from inducing, by any means any person employed in the construction, completion or repair of public work, to give up any part of the compensation to which he is otherwise entitled.

8.6 Contract Termination - Debarment

A breach of the contract clauses in 29 CFR Section 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR Section 5.12.

8.7 Compliance with Davis-Bacon and Related Act Requirements

All rulings and interpretations of the Davis-Bacon and related acts contained in 29 CFR Parts 1,3 and 5 are herein incorporated by reference.

8.8 Disputes Concerning Labor Standards

Disputes arising out of the general disputes clause of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6 and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees of their representatives.

8.9 Certification of Eligibility

- a. By entering into this contract the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR Section 5.12 (a)(1).

- b. No part of this contract shall be subcontracted to any person or firm ineligible for award of a government contract by virtue of Section 3 (a) of the Davis-Bacon Act or 29 CFR Section 5.12 (a) (1).
- c. The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. Section 1001.

8.10 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.

8.11 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 therefor 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 29 CFR Section 5.5 in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of eight (8) hours or in excess of the overtime wages required by the clause set forth in subparagraph (b)(1) of 29 CFR Sec. 5.5.

8.12 Withholding for Unpaid Wages and Liquidated Damages

DOT or the recipient 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 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.

- 8.13 Section 107 of C.W.H.S.S.A is applicable to construction work and provides that no laborer or mechanic shall be requested to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction, safety and health standards promulgated by the Secretary of Labor. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market or contracts for transportation or transmission of intelligence.

8.14 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 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 recipient 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.

8.15 Subcontracts

The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraphs 9.1 through 9.15 of this document 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 paragraphs 9.1 through 9.15 of this document.

9.0 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:

- 9.1 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.
- 9.2 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.
- 9.3 To insert the substance of the provisions of this clause in all subcontracts issued pursuant to this Contract.

10.0 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 bid. A bid which 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.

11.0 DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION

11.1 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.

11.2 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.

12.0 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 subagreements.

13.0 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.

14.0 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)

14.1 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.

14.2 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.

14.3 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.

15.0 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.

16.0 PROJECT SIGNS

The contractor shall erect at the site of construction, and maintain during construction, signs satisfactory to the Department of Transportation identifying the project and indicating that the Government is participating in the development of the project.

17.0 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.

18.0 NEW RESTRICTIONS ON LOBBYING

18.1 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.

18.2 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.

18.3 Agreement

In accepting any contract resulting from this solicitation, the person submitting the offer agrees not to make any payment prohibited by this clause.

18.4 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.

18.5 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.

19.0 SUSPENSION OF WORK DURING ALERTS ISSUED BY HOMELAND SECURITY ADVISORY SYSTEM

When the Federal Homeland Security Advisory System (HSAS) or the Federal Transit Administration (FTA) issues a Threat Condition Alert Orange (high risk of terrorist attack), Threat Condition Alert Red (severe risk of terrorist attack), Threat Condition Alert Black (under attack), Threat Condition Alert Purple (recovery following attack), the District shall have the right to suspend or delay completion of work under this Contract and take additional action as the District deems necessary to secure the District's facilities as follows:

Threat Condition Orange: the District shall have the right to delay or suspend all non-vital facilities work, as determined in its sole discretion, monitor all work areas and Contractor's personnel and equipment entering work areas.

Threat Condition Red: the District shall have the right to suspend all non-critical maintenance and capital work, as determined in its sole discretion, and to restrict or deny access to work areas.

Threat Condition Black and Threat Condition Purple: the District shall suspend all maintenance and capital work until further notice.

The District shall provide notice to the Contractor, as soon as possible, of the receipt of a Threat Condition Alert and the effect such alert will have upon the work of the Contractor. To facilitate the provision of such notice, the Contractor is required to provide the Program Manager with emergency contact information in the form of cell phone numbers and e-mail addresses to which such notices may be forwarded, and to keep said numbers current. Notice or attempted notice given to the most recent points of contact shall be deemed to be sufficient notice to Contractor that work shall be delayed or suspended in accordance with this paragraph. Any delay or suspension of work required under this paragraph shall not entitle Contractor to any claims for additional compensation under this contract.

20.0 IDENTIFICATION OF PERSONNEL; SECURITY

The Contractor shall provide personnel who enter upon the District's property with distinctive identification badges showing the employer's name, the employee's name, the employee's job title, and any employee identification number assigned to such employee. All personnel shall display these badges prominently upon their persons while on District's property. The District will allow only properly certified personnel of the Contractor on its property. The District shall have the right to require the Contractor to conduct background checks on its employees and to remove from the District's any employee the District considers incompetent, careless, or who constitutes a security risk or safety hazard.

PART VIII

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT PROTEST PROCEDURE

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 Invitation for Bid (IFB) package must be filed within ten (10) calendar days after the date the IFB is first advertised. Protests relating to a recommendation for award solicited by this IFB 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 bidders. 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 Bid Protest(s) and Appeal(s). Bid includes the term "offer" or "proposal" as used in the context of negotiated procurements.

The Bidder may withdraw its protest or appeal at any time before the DISTRICT issues a final decision.

Should the DISTRICT postpone the date of bid 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 bid 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.

A Bidder 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

EXHIBIT - B

PART I

BID FORM

The undersigned ("Bidder"), upon acceptance by the District, agrees to furnish all labor, freight, transportation, materials, equipment, services, supplies and other work in accordance with the Invitation for Bids entitled Roof Restoration on Metro's Operation Building, 1200 River Street, Santa Cruz, dated November 14, 2007 at the following prices. The bid prices should include any applicable sales tax.

Item No.	Item Description	Quantity	Price Quotation
1	Total Contract Price to perform roof restoration services to the District's Operations Building at 1200 River Street, Santa Cruz as per specifications and conditions of District IFB No. 08-13.	1 Lot	\$ 26,625.00
2	Labor Rate per hour for dry rot repairs if found.		\$ 87.00
3	Markup on material costs needed to make any dry rot repairs if found		15%

The successful bidder obligates him/herself to provide any or all of the bid items at the bid price. District reserves the right to award bid items separately or as a package. District may accept or reject the bid items at its discretion. Award of the bid will be based on totals provided for the Base Items, Options shall not be used in the determination of low bid. The Board of Directors also reserves the right to reject all bids for any reason.

Bidder has examined and is fully familiar with all terms and conditions of the Invitation for Bids and any addenda issued by the District thereto, and Bidder unconditionally submits this bid in strict accordance with said Invitation for Bids. Bidder has carefully checked all words and figures shown on this Bid Form and has carefully reviewed the accuracy of all documents, representations, manufacturer's literature, and statements submitted with this bid.

Bidder understands that this bid constitutes a firm offer to the District that cannot be withdrawn for ninety (90) calendar days from the date of bid opening. If awarded the contract, bidder agrees to deliver to the District executed copies of the final contract and required insurance certificates within ten (10) calendar days of the date of the District Notice of Award. Said Notice of Award shall be deemed duly given to Bidder upon delivery if delivered by hand, or three (3) calendar days after posting if sent by mail to Bidder's address.

Bidder understands that no partial, conditional or qualified bids shall be accepted for any bid item. Bidder further understands the right of the District Board of Directors to accept or reject any or all bids received for any reason. The District reserves the right to waive minor irregularities.

Bidder has included manufacturers' brochures describing the equipment bid under this IFB. Any proposed deviation from any item in the IFB specifications has been delineated on said brochures or on a separate attachment included with the bid. Bidder represents that the equipment and other work bid meets the specifications in all respects unless clearly noted to the contrary in the bid submittal.

The contract, if awarded, will be to the lowest responsive, responsible bidder. Bidder understands that the "lowest responsible bidder" is the lowest bidder whose offer best responds in quality, fitness and capacity to the requirements of the Invitation for Bids. The District reserves the right to award to other than the lowest bidder if the District finds that the lowest bidder is not responsible.

Bidder acknowledges receipt of the following addenda to the Invitation for Bids. All cost adjustments or other requirements resulting from said addenda have been taken into consideration by the bidder and included in the bid.

Addenda No 's _____

Bidder has submitted the following documents with the bid:

1. Exceptions, if any, taken to the specifications or other sections of the IFB. (Warning: Substantive exceptions will be cause for bid rejection)
2. Copy of any standard warranties in accordance with the Specifications.
3. Manufacturer's specifications, description, promotional material describing the item bid.
4. Fully executed copy of the "Lobbying Certification" listed as Page I-4 of the Bid, if applicable
5. Fully executed copy of the "Buy America Provision Certification" listed as Page I-5 of the Bid, if applicable.

Bidder understands that bids shall be placed in a sealed envelope marked as indicated below and delivered to the Purchasing Office of the Santa Cruz Metropolitan Transit District, 110 Vernon Street, Suite B, Santa Cruz, California, 95060 prior to the time of bid opening. Bids postmarked before bid opening but delivered afterward shall be rejected.

IFB No. 08-13
"Operations Building Roof Restoration"
Bid Opening 2:00 p.m., December 14, 2007

Bidder has full power and authority to enter into and perform the work described in the Invitation for Bids on behalf of the company noted below.

Roofing Constructors, Inc. dba Western Roofing Service
Company Name

Indicate:

Sole Proprietorship Partnership Corporation

Joint Venture with _____

2594 Oakdale Avenue
Street Address

San Francisco, CA 94124
City, State, Zip Code


Signature of authorized company official

Mark G. Bledsoe, President
Typewritten name of above and title

Mark G. Bledsoe, President - mark@westroof.com
Name, title, and email address of person to whom correspondence should be directed

415-648-6472 415-648-5164
Telephone Number FAX Number

12/13/2007 94-1431517
Date Federal Tax ID No.

The Santa Cruz Metropolitan Transit District is a special purpose District and is a subdivision of the State of California.

Listing of major subcontractors 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**

Roofing Constructors, Inc. dba
(Contractor) WESTERN ROOFING SERVICE 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;

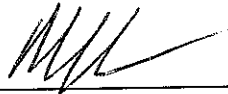
Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and

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.

Roofing Constructors, Inc. dba

(Contractor) WESTERN ROOFING SERVICE, 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 HERETO.



Signature and Title of Authorized Official

Mark G. Bledsoe, President

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)

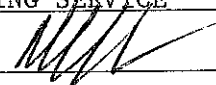
The undersigned certifies, to the best of his or her knowledge and belief, that:

- (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 Roofing Constructors, Inc. dba
WESTERN ROOFING SERVICE

Signature of Authorized Official 

Name and Title of Authorized Official Mark G. Bledsoe, President

Date 12/13/2007

**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.

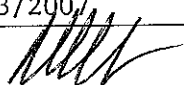
A false certification is a criminal act in violation of 18 U.S.C. 1001. Should this procurement be investigated, the successful bidder/proposer has the burden of proof to establish that it is in compliance.

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: 12/13/2007
Signature: 
Company Name: Roofing Constructors, Inc. dba Western Roofing Service
Title: President

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: _____


BIDDER DBE INFORMATION

Roofing Constructors, Inc. dba
 BIDDER'S NAME WESTERN ROOFING SERVICE
 BIDDER'S ADDRESS 2594 Oakdale Avenue
San Francisco, CA 94124
 DBE GOAL FROM CONTRACT 3 %
 FED. NO. _____
 COUNTY Santa Cruz
 AGENCY Santa Cruz Metropolitan Transit District
 CONTRACT NO. District IFB #08-13
 BID AMOUNT \$ _____
 BID OPENING DATE 12/14/2007
 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 bid or 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
		0000112	Cliffside Contractors		3%

TOTAL CLAIMED DBE PARTICIPATION \$ _____ 3 %

SIGNATURE OF BIDDER  Mark G. Bledsoe
 AREA CODE/TELEPHONE 415-648-6472

DATE
12/13/2007

(Detach from proposal if DBE information is not submitted with bid.)

- * 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 bids 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.



State of California * Department of General Services * Arnold Schwarzenegger, Governor

PROCUREMENT DIVISION

Office of Small Business and DVBE Services

707 Third Street, 1st Floor, Room 400 * PO Box 989052

West Sacramento, California 95798-9052 * (800) 559-5529

DVBE APP 20070820091438

August 20, 2007

REF# 0000112
 CLIFFSIDE CONTRACTORS
 25635 CRESTFIELD CIRCLE
 CASTRO VALLEY CA 94552

Dear Business Person:

Congratulations on your certified disabled veteran business enterprise (DVBE) status with the State of California. Your certification entitles you to benefits under the state's DVBE Participation Program within state contracting, including the three percent DVBE participation goal for overall state contract dollars.

Certification period

Your certification period for each business year is:

Industry

CONSTRUCTION



Annual Submission Requirement

All DVBEs must submit to the Office of Small Business and DVBE Services (OSDS) each postcertification tax year, a complete copy of your business federal income tax returns, including extensions, within 90 days of the tax return's filing due date. If your business is a partnership, each partner must also submit a complete copy of his or her individual tax return. Additionally, if you are a DVBE that is not a sole proprietorship and your firm rents equipment to the state, you must also include in your submittal a complete copy of the personal federal income tax returns for each of your disabled veteran owners, including extensions, and within 90 days of the individual's tax return filing due date. Failure to comply will result in the suspension of your DVBE status and possible decertification, and it shall prohibit your business from participating in any state contract until all requirements are met.

Maintaining Your Online Certified Firm Profile

A secure access feature on our website enables you to maintain certain company profile information, including customizable keywords to best describe your business specialties. Details about the Certified Firm Profile and your secure logon information are available on the final page of this letter. Please keep your logon information page in a secure place and DO NOT share it with anyone or include it with any of your bid documents or submittals.

Reporting Business Changes

You must notify OSDS of all business changes or your certification status will be subject to revocation. The enclosed "Certification Information Change" form identifies specific items that may be reported using the change form and it identifies other changes that require a new certification application submittal.

Proof of Eligibility

Maintain this original certification letter for future business needs. To demonstrate your firm's DVBE eligibility, include a copy of this letter in your state contract bid submittals.

WESTERN



ROOFING SERVICE

2594 Oakdale Avenue San Francisco, CA 94124

Tel 415 • 648 • 6472 800 • 822 • 6648 Fax 415 • 648 • 5164

License #180533

COMMERCIAL ROOFING WARRANTY

Stanford University Housing
795 Escondido Road
Stanford, CA 94305

Term: 5 Years
Expiration Date: 12/13/2012

Single Ply Roof Replacement - Adams Hall - Stanford, CA

Western Roofing Service (hereinafter "Contractor") hereby warrants, subject to the terms and conditions set forth herein, that for a period of five (5) years from the date of completion, Contractor will, free of charge to the Owner, make repairs to leaks in the roofing and flashing installed by Contractor resulting from defects in the workmanship applying normal working hours, inspect and furnish labor and materials to repair leaks covered under this Warranty at no cost to Owner.

This Warranty is made under the subject to the following terms and conditions:

1. In order for this warranty to be effective, the Owner must first notify Contractor of any repairs require under this Warranty. Notice may be given orally, but in order to pursue any claim that Contractor has not honored this Warranty, notification of a leak must be given to Contractor in writing at the address shown above within five (5) days after a leak is experienced. Contractor shall make repairs as soon as practicable after notification.

2. This Warranty does not extend to conditions caused by, and Contractor shall not be responsible for, leaks caused by (1) abuse, misuse, vandalism, lack of maintenance, accident or negligence in maintaining the roof; (2) damages to the roof system caused from lightening, hail, windstorm, hurricane, earthquake, thermal shock or other acts of Nature; (3) other building components, including cracking, building movement, settlement, deflection of roof deck, dry rot, deterioration of walls, water entry through masonry or other building components, and defects in the materials used as a base under the roof; (4) faulty vents, equipment supports, and other penetrations of the roof work and edge conditions, unless such work was performed by Contractor; (5) service to or maintenance of any roof top equipment or traffic of any nature on the roof, (6) acts or omissions of other trades or contractors; (7) movement of metal work; (8) ponding of water; (9) discharge of oils, greases, solvents or chemicals; (10) damage caused by termites, insects, birds or animals; (11) penetration of the roofing from beneath by nails or other fasteners; or (12) blockage of roof drains or gutters. If, during the term of this warranty, the subject property is exposed to earthquakes, tornadoes or hurricanes, the warranty will be void and cancelled.



MB PLUS

Description

TOPCOAT® MB Plus is a water-based, low VOC sprayable polymeric liquid, which cures to form a seamless rubber membrane. Covers and protects most roof surfaces including modified bitumen (smooth and granulated), smooth BUR, and metal. MB Plus is an ENERGY STAR® qualified reflective product that will help to reduce building temperatures. MB Plus is listed by the Cool Roof Rating Council® for solar reflectance and thermal emittance. It is highly reflective, flexible and, due to unique emulsion chemistry, resists unsightly bleed-through over asphalt substrates better than solvent-based systems. Available in white (for maximum reflectivity) and custom colors. It is non-flammable, presents minimal hazard to the applicator or the environment, and cleans up with water.

Uses

MB Plus is designed to protect and restore aged roofs. This product can be used on modified bitumen, BUR Hypalon®, metal as a primer, wood and concrete. For use with water-based sealants and top coats only. Substrate shall not pond water for a period longer than 48 hours. Surface must be free of ponding water, ice, snow and debris prior to application. Do not apply at temperatures below 42°F. Substrate temperatures must be below 120°F when applying product.

Advantages

- ENERGY STAR® qualified reflectivity can dramatically decrease building temperatures
- Highly reflective and listed by the Cool Roof Rating Council® for solar reflectance and thermal emittance
- Low VOC, non-flammable and presents minimal hazard to the applicator or the environment
- Easier to apply than solvent-based systems for asphalt surfaces
- Warranties available for up to 10 years*
- Guarantees available for up to 10 years**
- Available in 5-gallon pails, 55-gallon drums and bulk totes

For application questions, please contact GAFMC Contractor Services at 1-800-766-3411

Applicable Standards

ASTM D-412, ASTM D-21-96, ASTM D-1475, ASTM E-1644

Note: Repair leaks promptly to avoid adverse effects including mold growth.

*See warranties and guarantees for complete coverage and restrictions.
**When used as a primer.

TOPCOAT® MB PLUS TECHNICAL DATA

Application Rate:	1.0 to 3.0 gallons/100 sq ft total
Application Method:	Airless sprayer, brush or roller
Application Temp (air, surface):	42° – 120°F
Drying Time (75°F, 50% RH):	Approximately 24 hours per coat
Wet Mil Thickness:	(1.0 Gallon/100SF) – 16 wet mils
Dry Mil Thickness:	(1.0 Gallon/100SF) – 9 dry mils
Total Solids (by weight):	65% ± 2%
Total Solids (by volume):	54% ± 2%
Specific Gravity:	1.32 ± 0.1
Weight per Gallon:	11.0 ± 0.5 lbs.
Viscosity (75°F):	15,000 ± 2,000 cps
Tensile Strength:	150 psi
Elongation:	275%
Storage:	Store in well-ventilated area at 50°F to 80°F; protect from freezing
Shelf Life:	1 Year
Clean-up:	Water before curing

Title 24
Compliant



For further information, contact
GAF Contractor Services at:
1-800-766-3411 or visit www.gaf.com
©2007 GAF Materials Corporation 1/07



MB PLUS

Description

TOPCOAT® MB Plus is a water-based, low VOC sprayable polymeric liquid, which cures to form a seamless rubber membrane. Covers and protects most roof surfaces including modified bitumen (smooth and granulated), smooth BUR, and metal. MB Plus is an ENERGY STAR® qualified reflective product that will help to reduce building temperatures. MB Plus is listed by the Cool Roof Rating Council™ for solar reflectance and thermal emittance. It is highly reflective, flexible and, due to unique emulsion chemistry, resists unsightly bleed-through over asphalt substrates better than solvent-based systems. Available in white (for maximum reflectivity) and custom colors. It is non-flammable, presents minimal hazard to the applicator or the environment, and cleans up with water.

Uses

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- Guarantees available for up to 10 years**
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Drying Time (75°F, 50% RH):	Approximately 24 hours per coat
Wet Mil Thickness:	(1.0 Gallon/100SF) – 16 wet mils
Dry Mil Thickness:	(1.0 Gallon/100SF) – 9 dry mils
Total Solids (by weight):	65% ± 2%
Total Solids (by volume):	54% ± 2%
Specific Gravity:	1.32 ± 0.1
Weight per Gallon:	11.0 ± 0.5 lbs.
Viscosity (75°F):	15,000 ± 2,000 cps
Tensile Strength:	150 psi
Elongation:	275%
Storage:	Store in well-ventilated area at 50°F to 80°F; protect from freezing
Shelf Life:	1 Year
Clean-up:	Water before curing

Title 24
Compliant



For further information, contact
GAF Contractor Services at:
1-800-766-3411 or visit www.gaf.com
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THE AMERICAN INSTITUTE OF ARCHITECTS

AIA Document A310 Bid Bond

KNOW ALL MEN BY THESE PRESENTS, THAT WE Roofing Constructors, Inc. dba Western Roofing Service
2594 Oakdale Avenue, San Francisco, CA 94124

as Principal, hereinafter called the Principal, and Safeco Insurance Company of America
5847 San Felipe, Ste 320, Houston, TX 77057

a corporation duly organized under the laws of the State of WA
as Surety, hereinafter called the Surety, are held and firmly bound unto Santa Cruz Metropolitan Transit District
110 Vernon Street, Suite B, Santa Cruz, CA 95060

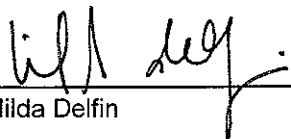
as Obligee, hereinafter called the Obligee, in the sum of Five Percent of Amount Bid
Dollars (\$ 5%),
for the payment of which sum well and truly to be made, the said Principal and the said Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has submitted a bid for District IFB #08-13, Roof Restoration on METRO's Operations
Building, 1200 River Street, Santa Cruz, CA


NOW, THEREFORE, if the Obligee shall accept the bid of the Principal and the Principal shall enter into a Contract with the Obligee in accordance with the terms of such bid, and give such bond or bonds as may be specified in the bidding or Contract Documents with good and sufficient surety for the faithful performance of such Contract and for the prompt payment of labor and materials furnished in the prosecution thereof, or in the event of the failure of the Principal to enter such Contract and give such bond or bonds, if the Principal shall pay to the Obligee the difference not to exceed the penalty hereof between the amount specified in said bid and such larger amount for which the Obligee may in good faith contract with another party to perform the Work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect.

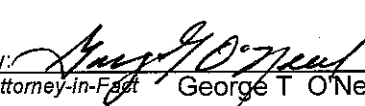
Signed and sealed this 12th day of December, 2007


Jennifer Cabangis (Witness)


Hilda Delfin (Witness)



Roofing Constructors, Inc. dba Western Roofing Service
(Principal) (Seal)
By: 
Mark G. Bledsoe President (Title)

Safeco Insurance Company of America
(Surety) (Seal)
By: 
Attorney-in-Fact George T. O'Neill (Title)



POWER OF ATTORNEY

Safeco Insurance Company of America
General Insurance Company of America
Safeco Plaza
Seattle, WA 98185

No. Bid Bond

KNOW ALL BY THESE PRESENTS: That SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA, each a Washington corporation, does each hereby appoint

George T. O'Neill Houston TX

its true and lawful attorney(s) in-fact, with full authority to execute on its behalf the following surety bond:

Surety Bond Number: Bid Bond
Principal: Roofing Constructors, Inc. dba Western Roofing Service
Obligee: Santa Cruz Metropolitan Transit District
Amount of Bond: See Bond Form

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

this 12th day of December, 2007

Handwritten signature of Stephanie Daley-Watson

STEPHANIE DALEY-WATSON, SECRETARY

Handwritten signature of Tim Mikolajewski

TIM MIKOLAJEWSKI, SENIOR VICE-PRESIDENT, SURETY

CERTIFICATE

Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA:

"Article V, Section 13. - FIDELITY AND SURETY BONDS ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business...

Extract from a Resolution of the Board of Directors of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
(ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
(iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

Stephanie Daley-Watson, Secretary of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 12th day of December, 2007



Handwritten signature of Stephanie Daley-Watson

STEPHANIE DALEY-WATSON, SECRETARY

STATE OF CALIFORNIA
 DEPARTMENT OF INSURANCE
 SAN FRANCISCO

Amended

Certificate of Authority

THIS IS TO CERTIFY, That pursuant to the Insurance Code of the State of California

SAFECO Insurance Company of America

of Seattle, Washington, organized under the laws of Washington, subject to its Articles of Incorporation or other fundamental organizational documents, is hereby authorized to transact within this State, subject to all provisions of this Certificate the following classes of insurance: Fire, Marine, Surety, Plate Glass, Liability, Workers' Compensation, Common Carrier Liability, Boiler and Machinery, Burglary, Credit, Sprinkler, Train and Vehicle, Automobile, Aircraft, and Miscellaneous as such classes are now or may hereafter be defined in the Insurance Laws of the State of California.

THIS CERTIFICATE is expressly conditioned upon the holder hereof now and hereafter being in full compliance with all, and not in violation of any, of the applicable laws and lawful requirements made under authority of the laws of the State of California as long as such laws or requirements are in effect and applicable, and as such laws and requirements now are, or may hereafter be changed or amended

IN WITNESS WHEREOF, effective as of the 24th day of January, 1979,

I have hereunto set my hand and caused my official seal to be affixed this 24th day of January, 1979

Fee \$35.00

Rec. No. S-5471

Filed 9/7/78

Wesley J. Kinder
 Insurance Commissioner

By

John J. Faber
 Deputy

Certification

I, the undersigned Insurance Commissioner of the State of California, do hereby certify that I have compared the above copy of Certificate of Authority with the duplicate of original now on file in my office, and that the same is a full, true, and correct transcript thereof, and of the whole of said duplicate, and said Certificate of Authority is now in full force and effect

IN WITNESS WHEREOF, I have hereunto set my hand and caused my official seal to be affixed this 22nd day of August, 2000.

J Clark Kelso
 Acting Insurance Commissioner

Pauline D'Andrea
 Pauline D'Andrea
 Deputy

**IMPORTANT NOTICE TO SURETY BOND CUSTOMERS REGARDING
THE TERRORISM RISK INSURANCE ACT OF 2002**

As a surety bond customer of one of the SAFECO insurance companies (SAFECO Insurance Company of America, General Insurance Company of America, First National Insurance Company of America, American States Insurance Company or American Economy Insurance Company), it is our duty to notify you that the Terrorism Risk Insurance Act of 2002 extends to "surety insurance". This means that under certain circumstances we may be eligible for reimbursement of certain surety bond losses by the United States government under a formula established by this Act.

Under this formula, the United States government pays 90% of losses caused by certified acts of terrorism that exceed a statutorily established deductible to be paid by the insurance company providing the bond. The Act also establishes a \$100 billion cap for the total of all losses to be paid by all insurers for certified acts of terrorism. Losses on some or all of your bonds may be subject to this cap.

This notice does not modify any of the existing terms and conditions of this bond, the underlying agreement guaranteed by this bond, any statutes governing the terms of this bond or any generally applicable rules of law.

At this time there is no premium change resulting from this Act.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of San Francisco

On 12-13-2007 before me, Nellie A. Gonzales
Date Name and Title of Officer (e.g. "Jane Doe Notary Public")

personally appeared Mark G. Bledsoe
Name(s) of Signer(s)

personally known to me - **OR** - proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Nellie A. Gonzales
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document

Description of Attached Document

Title or Type of Document: Bid Bond

Document Date: 12/12/2007 Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: Mark G. Bledsoe

- Individual
- Corporate Officer
Title(s): President
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing:

Roofing Constructors, Inc dba
Western Roofing Service

Signer's Name: _____

- Individual
- Corporate Officer
Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing:

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

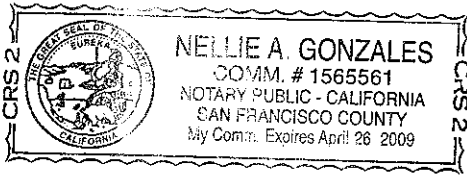
State of California

County of San Francisco

On 12-13-2007 before me, Nellie A. Gonzalea
Date Name and Title of Officer (e.g. 'Jane Doe' Notary Public')

personally appeared George T. O'Neill
Name(s) of Signer(s)

personally known to me – OR – proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Bid Bond

Document Date: 12/12/2007 Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
- Corporate Officer
Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

Signer Is Representing:

Safeco Insurance
Company of America

Signer's Name: _____

- Individual
- Corporate Officer
Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

Signer Is Representing:

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 21, 2007

TO: Board of Directors

FROM: Frank Cheng, Project Manager

SUBJECT: CONSIDERATION OF AWARD OF CONTRACT FOR PARKING LOT PAVING/GRADE-BLENDING CONSTRUCTION PROJECT AT 1200 RIVER STREET, SANTA CRUZ WITH EARTHWORKS PAVING CONTRACTORS, INC.

I. RECOMMENDED ACTION

District Staff recommends that the Board of Directors authorize the General Manager to execute a contract for Parking Lot Paving/Grade-Blending Construction Project at 1200 River Street, Santa Cruz with Earthworks Paving Contractors, Inc. for a total amount not to exceed \$24,000.

II. SUMMARY OF ISSUES

- A competitive procurement was conducted to solicit bids from qualified firms.
- Four firms submitted bids for the District's review.
- District staff has reviewed all submitted bids.
- District staff is recommending that a contract be established with Earthworks Paving Contractors, Inc. to provide Parking Lot Paving/Grade-Blending Construction Project at 1200 River Street, Santa Cruz for a total amount not to exceed \$24,000.

III. DISCUSSION

In order to ease the access for buses to the new fueling facility the District sought bids to grade-blend the elevation changes between the new facility and the existing Operations parking lot in two areas. On November 8, 2007 District Invitation for Bid No. 08-14 was mailed to twenty-seven construction firms and builders exchanges, was legally advertised, and a notice was posted on the District's web site. On December 13, 2007 bids were received and opened from four firms. A list of firms and a summary of the bids received are provided in Attachment A. District staff has reviewed all submitted bids.

District staff is recommending that a contract be established with Earthworks Paving Contractors, Inc. to provide Parking Lot Paving/Grade-Blending Construction Project at 1200 River Street, Santa Cruz for an amount not to exceed \$24,000. Contractor will provide all equipment and materials meeting all District specifications and requirements.

IV. FINANCIAL CONSIDERATIONS

Funding for this contract is contained in MetroBase Capital Construction Funds.

V. ATTACHMENTS

Attachment A: Summary of Bids Received

Attachment B: Contract with Earthworks Paving Contractors, Inc.

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

**Invitation for Bids No. 08-14 for Parking Lot Paving/Grade-Blending
Construction Project at 1200 River Street, Santa Cruz**

Summary of Bids Received

<u>Bidder</u>	<u>Bid Amount</u>
1. Earthworks Paving Contractors, Inc of Capitola, CA	\$24,000
2. Granite Construction Company of Watsonville, CA	\$24,200
3. A & C Grading, Inc. of Watsonville, CA	\$33,300
4. Bellicitti & Pellicciotti of Santa Clara, CA	\$39,000

16.a1

**CONTRACT FOR PARKING LOT PAVING/GRADE-BLENDING
PROJECT AND RELATED SITE WORK
No. 08-14**

THIS CONTRACT is made effective on January 1, 2008 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("METRO"), and **EARTHWORKS PAVING CONTRACTORS, INC.** ("Contractor").

1. RECITALS

1.01 METRO's Primary Objective

METRO 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 METRO's Need for Parking Lot Paving/Grade-Blending and Related Site Work

METRO requires Parking Lot Paving/Grade-Blending and Related Site Work. In order to obtain said Parking Lot Paving/Grade-Blending and Related Site Work, the METRO issued an Invitation for Bids, dated November 8, 2007 setting forth specifications for such Parking Lot Paving/Grade-Blending and Related Site Work. The Invitation for Bids is attached hereto and incorporated herein by reference as Exhibit A.

1.03 Contractor's Bid Form

Contractor is a licensed general contractor desired by the METRO and whose principal place of business is 310 A Kennedy Drive, Capitola, California. Pursuant to the Invitation for Bids by the METRO, Contractor submitted a bid for Provision of said Parking Lot Paving/Grade-Blending and Related Site Work, which is attached hereto and incorporated herein by reference as Exhibit B.

1.04 Selection of Contractor and Intent of Contract

On December 21, 2007 METRO selected Contractor as the lowest responsive, responsible bidder to provide said Parking Lot Paving/Grade-Blending and Related Site Work. The purpose of this Contract is to set forth the provisions of this procurement.

1.05 Contractor and Supplier Synonymous

For the purposes of this Contract, the terms "contractor" and "supplier" are synonymous.

METRO 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 Part III, Section 13.14 of the General Conditions of the Contract.

a) Exhibit A

Santa Cruz Metropolitan Transit District's "Invitation for Bids No. 08-14" dated November 8, 2007.

b) Exhibit B (Bid Form)

Contractor's Submitted Bid to METRO for Parking Lot Paving/Grade-Blending and Relate Site Work as signed by Contractor.

2.02 Conflicts

Refer to PART I, Item 1.03, item B.

2.03 Recitals

The Recitals set forth in Article 1 are part of this Contract.

3. TIME OF PERFORMANCE

3.01 General

The work under this Contract shall be completed **fourteen (14) calendar days** after the date of commencement specified in the Notice to Proceed, unless modified by the parties under Part III, section 13.14 of the General Conditions, Instructions and Information for Bidders of this Contract or terminated pursuant to Part III, section 2.

3.02 Term

The term of this Contract commences on the date of execution and shall remain in force for 30 calendar days after the date of commencement specified in the Notice to Proceed. METRO and Contractor may extend the term of this Contract at any time for any reason upon mutual written consent.

3.03 Acceptance of Terms

Execution of this documents shall be deemed as acceptance of all of the terms and conditions as set forth herein and those contained in the Notice and Invitation to Bidders, the General Conditions, the Special Conditions, the FTA Requirements for Construction Contracts, the Specifications and all attachments and addenda, which are incorporated herein by reference as integral parts of this Contract

4. SCOPE OF WORK

4.01

Contractor shall furnish METRO all supervision, labor, equipment, supplies, material, freight, transportation, tools and other work and services as specified in and in full accordance with the Invitation for Bid (IFB) No. 08-14 dated November 8, 2007 for Parking Lot Paving/Grade-Blending and Relate Site Work. The Contractor shall provide a complete project in conformance with the intent shown on the drawings and specified herein and as provided for and set forth in the IFB.

4.02

Contractor and METRO agree to comply with and fulfill all obligations, promises, covenants and conditions imposed upon each of them in the Contract Documents. All of said work done

under this Contract shall be performed to the satisfaction of METRO or its representative, who shall have the right to reject any and all materials and supplies furnished by Contractor which do not strictly comply with the requirements contained herein, together with the right to require Contractor to replace any and all work furnished by Contractor which shall not either in workmanship or material be in strict accordance with the contract documents.

5. COMPENSATION

5.01 Terms of Payment

Upon written acceptance, METRO agrees to pay Contractor as identified in the Bid Form, Exhibit B, not to exceed \$24,000 for satisfactory completion of all work, including all costs for labor, materials, tools, equipment, services, freight, insurance, overhead, profit and all other costs incidental to the performance of the services specified under this contract, under the terms and provisions of this Contract within forty-five (45) days thereof. Contractor understands and agrees that if he/she exceeds the \$24,000 maximum amount payable under this contract, that it does so at its own risk.

5.02 Release of Claims

Payment by METRO of undisputed contract amounts is contingent upon the Contractor furnishing METRO with a Release of All Claims against METRO arising by virtue of the part of the contract related to those amounts.

5.03 Retention of progress payments

METRO will retain ten (10%) percent of the contract price from each progress payment made pursuant to the construction contract through the completion of the contract. The retention shall be released, with the exception of 150 percent (150%) of any disputed amount within 60 days after the date of completion of the work. Pursuant to Section 22300 of the Public Contract Code, the Contractor may substitute a deposit of securities in lieu of METRO withholding any monies to ensure Contractor's performance under the Contract, or alternatively, request that METRO make payment of retentions earned directly to an escrow agent at the expense of Contractor. The provisions of Public Contract Code Section 22300 are incorporated herein by reference as though set forth in full, and shall govern the substitution of securities and/or escrow account. If a Stop Notice is filed METRO will retain 125% of the amount set forth in the Stop Notice from the next progress payment made to Contractor.

5.04 Change in Contract Price

5.04.01. General

- A. The Contract price constitutes the total compensation payable to the Contractor for performing the work. All duties, responsibilities, and obligations assigned to or undertaken by the Contractor to perform the work shall be at the Contractor's expense without change in the Contract price.
- B. The Contract price may only be changed by a change order. Any request for an increase in the Contract price shall be based on written notice delivered by the Contractor to the District promptly, but in no event later than 10 days after the date of the occurrence of the event giving rise to the request and stating the general nature of the request. Notice of the amount of the request with supporting data shall be delivered within 45 days after the date of the occurrence, unless the District allows an additional period of time to ascertain more accurate data in support of the request, and shall be accompanied by the Contractor's written statement that the amount requested covers all amounts (direct, indirect, and consequential) to which the Contractor is entitled as a result of the

occurrence of the event. No request for an adjustment in the Contract price will be valid if not submitted in accordance with this Article.

- C. The value of any work covered by a change order or of any request for an increase or decrease in the Contract price shall be determined in one of the following ways:
 - 1. Where the work involved is covered by unit prices contained in the Contract documents, by application of unit prices to the quantities of the items involved; or
 - 2. By mutual acceptance of a lump sum, which may include an allowance for overhead and profit not necessarily in accordance with Article 5.04.04; or
 - 3. On the basis of the cost of work (determined as provided in Articles 5.04.02. and 5.04.03.) plus a Contractor's fee for overhead and profit (determined as provided in Article 5.04.04.)

5.04.02 Cost of Work (Based on Time and Materials)

- A. General: The term "cost of work" means the sum of all costs necessarily incurred and paid by the Contractor for labor, materials, and equipment in the proper performance of work. Except as otherwise may be agreed to in writing by METRO, such costs shall be in amounts no higher than those prevailing in the locality of the project.
- B. Labor: The cost of labor used in performing work by the Contractor, a subcontractor, or other forces, will be the sum of the following:
 - 1. The actual wages paid plus any employer payments to or on behalf of workers for fringe benefits, including health and welfare, pension, vacation, and similar purposes. The cost of labor may include the wages paid to foremen when it is determined by the District that the services of foremen do not constitute a part of the overhead allowance.
 - 2. There will be added to the actual wages as defined above, a percentage set forth in the latest "Labor Surcharge and Equipment Rental Rates" in use by the California State Department of Transportation which is in effect on the date upon which the work is accomplished. This percentage shall constitute full compensation for all payments imposed by State and Federal laws including, but not limited to, workers' compensation insurance and Social Security payments.
 - 3. The amount paid for subsistence and travel required by collective bargaining agreements.
 - 4. For equipment operators, payment for the actual cost of labor and subsistence or travel allowance will be made at the rates paid by the Contractor to other workers operating similar equipment already on the work, or in the absence of such labor, established by collective bargaining agreements for the type of workers and location of the extra work, whether or not the operator is actually covered by such an agreement. A labor surcharge will be added to the cost of labor described herein in accordance with the provisions of subsection 2 of Article 5.04.02.B herein, which surcharge shall constitute full compensation for payments imposed by State and Federal laws, and all other payments made to on behalf of workers other than actual wages.

- C. Materials: The cost of materials used in performing work will be the cost to the purchaser, whether Contractor or subcontractor, from the supplier thereof, except as the following are applicable:
1. Trade discounts available to the purchaser shall be credited to METRO notwithstanding the fact that such discounts may not have been taken by the Contractor.
 2. For materials secured by other than a direct purchase and direct billing to the purchaser, the cost shall be deemed to be the price paid to the actual supplier as determined by the District. Markup, except for actual costs incurred in the handling of such materials, will not be allowed.
 3. Payment for materials from sources owned wholly or in part by the purchaser shall not exceed the price paid by the purchaser for similar materials from said sources on extra work items or the current wholesale price for such materials delivered to the work site, whichever price is lower.
 4. If, in the opinion of the District, the cost of material is excessive, or the Contractor does not furnish satisfactory evidence of the cost of such material, then the cost shall be deemed to be the lowest current wholesale price for the quantity concerned delivered to the work site, less trade discount. METRO reserves the right to furnish materials for the extra work and no claim shall be made by the Contractor for costs and profit on such materials.
- D. Equipment: The Contractor will be paid for the use of equipment at the rental rate listed for such equipment specified in the current edition of the Department of Transportation publication entitled, "Labor Surcharge and Equipment Rental Rates," which is in effect on the date upon which the work is accomplished. Such rental rates will be used to compute payments for equipment whether the equipment is under the Contractor's control through direct ownership, leasing, renting, or another method of acquisition. The rental rate to be applied for use of each item of equipment shall be the rate resulting in the least total cost to METRO for the total period of use. If it is deemed necessary by the Contractor to use equipment not listed in the foregoing publication, the District will establish an equitable rental rate for the equipment. The Contractor may furnish cost data that might assist the District in the establishment of the rental rate.
1. The rental rates paid, as above provided, shall include the cost of fuel, oil, lubrication supplies, small tools, necessary attachments, repairs and maintenance of all kinds, depreciation, storage, insurance, and all incidentals. Operators of equipment will be separately paid for as provided in subsection 4 of Article 5.04.02.B.
 2. All equipment shall be in good working condition and suitable for the purpose for which the equipment is to be used.
 3. Before construction equipment is used on the extra work, the Contractor shall plainly stencil or stamp an identifying number thereon at a conspicuous location, and shall furnish to the District, in duplicate, a description of the equipment and its identifying number.
 4. Unless otherwise specified, manufacturer's ratings and manufacturer-approved modifications shall be used to classify equipment for the determination of applicable rental rates. Equipment, which has no direct power unit, shall be powered by a unit of at least the minimum rating recommended by the manufacturer.

5. Individual pieces of equipment or tools having a replacement value of \$500 or less, whether or not consumed by use, shall be considered to be small tools and no payment will be made therefore.
- E. Owner-Operated Equipment: When owner-operated equipment is used to perform work and is to be paid for as extra work, the Contractor will be paid for the equipment and operator as follows:

Payment for the equipment will be made in accordance with the provisions in Article 5.04.02.D. "Equipment."

Payment for the cost of labor and subsistence or travel allowance will be made at the rates paid by the Contractor to other workers operating similar equipment already on the project, or, in the absence of such other workers, at the rates for such labor established by collective bargaining agreement for type of worker and location of the work, whether or not the owner-operator is actually covered by such an agreement. A labor surcharge will be added to the cost of labor described herein, in accordance with the provisions in subsection 2 of Article 5.04.02(B), "Labor."

To the direct cost of equipment rental and labor, computed as provided herein, will be added the markup for equipment rental and labor as provided in Article 5.04.04, "Contractor's Fee."

- F. Equipment Time: The rental time to be paid for equipment on the work shall be the time the equipment is in productive operation on the work being performed and shall include the time required to move the equipment to the new location and return it to the original location or to another location requiring no more time than that required to return it to its original location; except, that moving time will not be paid if the equipment is used on other than the extra work. Loading and transporting costs will be allowed, in lieu of moving time, when the equipment is moved by means other than its own power. No payment will be made for loading and transporting costs when the equipment is used at the site of the extra work on other than the extra work. The following shall be used in computing the rental time of equipment on the work:
 1. When hourly rates are listed, any part of an hour less than 30 minutes of operation shall be considered to be ½-hour of operation, and any part of an hour in excess of 30 minutes will be considered 1-hour of operation.
 2. When daily rates are listed, operation for any part of a day less than 4 hours shall be considered to be ½-day of operation.
 3. Rental time will not be allowed while equipment is inoperative due to breakdowns or Contractor caused delays.
- G. Cost of Work Documentation: The Contractor shall furnish the District Daily Extra Work Reports on a daily basis covering the direct costs of labor and materials and charges for equipment whether furnished by the Contractor, subcontractor, or other forces. METRO will provide the Extra Daily Work Report forms to the Contractor. The Contractor or an authorized agent shall sign each Daily Extra Work Report. The Daily Extra Work Report shall provide names and classifications of workers and hours worked; size, type, and identification number of equipment; and the hours operated. Copies of certified payrolls and statement of fringe benefit shall substantiate labor charges. Valid copies of vendor's invoices shall substantiate material charges.

The District will make any necessary adjustments. When these reports are agreed upon and signed by both parties, they shall become the basis of payment for the work performed, but shall not preclude subsequent adjustment based on a later audit.

The Contractor shall inform the District when extra work will begin so that METRO inspector can concur with the Daily Extra Work Reports. Failure to conform to these requirements may impact the Contractor's ability to receive proper compensation.

5.04.03. Special Services

Special services are defined as that work characterized by extraordinary complexity, sophistication, or innovations, or a combination of the foregoing attributes that are unique to the construction industry. The following may be considered by the District in making estimates for payment for special services:

- A. When the District and the Contractor, by agreement, determine that a special service is required which cannot be performed by the forces of the Contractor or those of any of its subcontractors, the special service may be performed by an entity especially skilled in the work to be performed. After validation of invoices and determination of market values by the District, invoices for special services based upon the current fair market value thereof may be accepted without complete itemization of labor, material, and equipment rental costs.
- B. When the Contractor is required to perform work necessitating special fabrication or machining process in a fabrication or a machine shop facility away from the jobsite, the charges for that portion of the work performed at the offsite facility may, by agreement, be accepted as a special service and accordingly, the invoices for the work may be accepted without detailed itemization.
- C. All invoices for special services will be adjusted by deducting all trade discounts offered or available, whether the discounts were taken or not. In lieu of the allowances for overhead and profit on labor, materials, and equipment specified in Article 5.04.04. herein, a single allowance of ten (10) percent will be added to invoices for special services.

5.04.04. Contractor's Fee

- A. Work ordered on the basis of time and materials will be paid for at the actual and necessary cost as determined by the District, plus allowances for overhead and profit which allowances shall constitute the "Contractor's Fee," except as provided in subparagraph B of this Article. For extra work involving a combination of increases and decreases in the work, the actual necessary cost will be the arithmetic sum of the additive and deductive costs. The allowance for overhead and profit shall include compensation for superintendence, bond and insurance premiums, taxes, all field and home office expenses, and all other items of expense or cost not included in the cost of labor, materials, or equipment provided for under Articles 5.04.02.B, C, D, and E, herein. The allowance for overhead and profit will be made in accordance with the following schedule:

Actual Necessary Cost	Overhead and Profit Allowance
Labor.....	33 percent
Materials	15 percent
Equipment.....	15 percent

- B. Labor, materials, and equipment may be furnished by the Contractor or by the subcontractor on behalf of the Contractor. When a subcontractor performs all or any part of the extra work, the allowance specified in subparagraph A of Article 5.04.04 shall only be applied to the labor, materials, and equipment costs of the subcontractors to which the Contractor may add 5 percent of the subcontractor's total cost for the extra work. Regardless of the number of hierarchical tiers of subcontractors, the 5 percent increase above the subcontractor's total cost, which includes the allowances for overhead and profit specified herein, may be applied one time only for each separate work transaction.

5.04.05. Compensation for Time Extensions

Adjustments in compensation for time extension will be allowed only for causes in Article 5.05.01.B.1 through Article 5.05.01.B.4 computed in accordance with Article 5.04 and the following. No adjustments in compensation will be allowed when District-caused delays to a controlling item of work and Contractor-caused delays to a controlling item of work occur concurrently or for causes in Article 5.05.01.B.5 through Article 5.05.01.B.6.

Compensation for idle time of equipment will be determined in accordance with the provisions in Article 5.04.02.E and Section 8-1.09 of the State Specifications.

5.05. Change of Contract Time

5.05.01. General

- A. The Contract time may only be changed by a change order. Any request for an extension of the Contract time shall be based on written notice delivered by the Contractor to the District promptly, but in no event later than 10 days after the date of the occurrence of the event giving rise to the request and stating the general nature of the request. Notice of the extent of the request with supporting data shall be delivered within 45 days after the date of such occurrence, unless the District allows an additional period of time to ascertain more accurate data in support of the request, and shall be accompanied by the Contractor's written statement that the adjustment requested is the entire adjustment to which the Contractor has reason to believe it is entitled as a result of the occurrence of said event. No request for an adjustment in the Contract time will be valid if not submitted in accordance with the requirements of this Article.

The Contract time will only be extended when a delay occurs which impacts a controlling item of work as shown on the work schedules required in the Special Provisions. Time extensions will be allowed only if the cause is beyond the control and without the fault or negligence of the Contractor. Time extensions will also be allowed when District-caused delays to a controlling item of work and Contractor-caused delays to a controlling item of work occur concurrently. The Contractor will be notified if the District determines that a time extension is not justified.

- B. The Contract time will be extended in an amount equal to time lost due to delays beyond the control of the Contractor if a request is made therefore as provided in this Article. An extension of Contract time will only be granted for days on which the Contractor is prevented from proceeding with at least 75 percent of the normal labor and equipment force actually engaged on the said work, by said occurrences or conditions resulting immediately therefrom which impact a controlling item of work as determined by the District. Such delays shall include:

1. Changes.
2. Failure of METRO to furnish access, right of way, completed facilities of related projects, Drawings, materials, equipment, or services for which METRO is responsible.
3. Survey error by METRO.
4. Suspension of work pursuant to Articles 7.05(A) and 7.05(C).
5. Occurrences of a severe and unusual nature including, but not restricted to, acts of God, fires, and excusable inclement weather. An “act of God” means an earthquake, flood, cloudburst, cyclone or other cataclysmic phenomena of nature beyond the power of the Contractor to foresee or to make preparation in defense against, but does not include ordinary inclement weather. Excusable inclement weather is any weather condition, the duration of which varies in excess of the average conditions expected, which is unusual for the particular time and place where the work is to be performed, or which could not have been reasonably anticipated by the Contractor, as determined from U.S. Weather Bureau records for the proceeding 3-year period or as provided for in the Special Provisions.
6. Act of the public enemy, act of another governmental entity, public utility, epidemic, quarantine restriction, freight embargo, strike, or labor dispute. A delay to a subcontractor or supplier due to the above circumstances will be taken into consideration for extensions to the time of completion.

5.05.02. Extensions of Time for Delay Due to Excusable Inclement Weather

- A. The Contract time will be extended for as many days in excess of the average number of days of excusable inclement weather, as defined in Article 5.05.01.B.5., as the Contractor is specifically required under the Special Provisions to suspend construction operations, or as many days as the Contractor is prevented by excusable inclement weather, or conditions resulting immediately therefrom, from proceeding with at least 75 percent of the normal labor and equipment force engaged on critical items of work as shown on the schedule.
- B. Should the Contractor prepare to begin work at the regular starting time at the beginning of any regular work shift on any day on which excusable inclement weather, or the conditions resulting from the weather prevents work from beginning at the usual starting time and the crew is dismissed as a result thereof, the Contractor will be entitled to a 1-day extension whether or not conditions change thereafter during said day and the major portion of the day could be considered to be suitable for such construction operations.
- C. The Contractor shall base the construction schedule upon the inclusion of the number of days of excusable inclement weather. No extension of the Contract time due to excusable inclement weather will be considered until after the said aggregate total number of days of excusable inclement weather has been reached; however, no reduction in Contract time would be made if said number of days of excusable inclement weather is not reached.

5.06. Changed Site Conditions

If any work involves digging trenches or other excavations below the surface, the Contractor shall promptly and before the following conditions are disturbed, notify METRO in writing of any:

- A. Material that the Contractor believes may be a regulated material that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law.
- B. Subsurface or latent physical conditions at the site differing from those indicated in this Contract.
- C. Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract.

METRO will promptly investigate the condition and if it finds that the conditions do materially so differ, or do involve regulated material, and cause a decrease or increase in the Contractor's cost of, or the time required for, performance of any part of the work, METRO will issue a change order under the procedures described in this Contract. For regulated materials, METRO reserves the right to use other forces for exploratory work to identify and determine the extent of such material and for removing regulated material from such areas.

In the event that a dispute arises between METRO and the Contractor on whether the conditions materially differ or on the Contractor's cost of, or time required for, performance of any part of the work, the Contractor shall not be excused from any scheduled completion date provided for by this Contract but shall proceed with all work to be performed under the Contract. The Contractor shall retain any and all rights provided either by this Contract or by law, which pertain to the resolution of disputes and protests between the contracting parties.

5.07 Waivers and Releases

Contractor is required to provide unconditional waivers and releases of stop notices in accordance with California Civil Code §3262(d)(2). METRO agrees to pay Contractor within 30 days after receipt of an undisputed and properly submitted payment request from the Contractor. If METRO fails to make such payments in a timely manner, METRO shall pay interest to the Contractor equivalent to the legal rate set forth in Subdivision (a) of Section 685.010 of the Code of Civil Procedure. For purposes of this section, "progress payment" includes all payments due contractor, except that portion of the final payment designated by the contract as retention earnings. Any payment request determined not to be a proper payment request suitable for payment shall be returned to the Contractor as soon as practicable, but not later than seven days, after receipt. A request returned pursuant to this paragraph shall be accompanied by a written explanation of why the payment request is not proper. The number of days available to METRO to make a payment without incurring interest pursuant to this section shall be reduced by the number of days by which METRO exceeds the seven-day return requirement set forth above. A payment request shall be considered properly executed if funds are available for payment of the payment request and payment is not delayed due to an audit inquiry by METRO's financial officer.

6. NOTICES

All notices under this Contract shall be in writing and shall be effective when received, if delivered by hand; or three (3) days after posting, if sent by registered mail, return 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.

METRO
 Santa Cruz Metropolitan Transit District
 370 Encinal Street
 Suite 100
 Santa Cruz, CA 95060
 Attention: General Manager

CONTRACTOR
 Earthworks Paving Contractors, Inc.
 310 A Kennedy Drive
 Capitola CA 95010
 Attention: Vice President

7. ENTIRE AGREEMENT

- 7.01 This Contract represents the entire agreement of the parties with respect to the subject matter hereof, and all such agreements entered into prior hereto are revoked and superseded by this Contract, and no representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in other contemporaneous written agreements.
- 7.02 This Contract may not be changed, modified or rescinded except in writing, signed by all parties hereto, and any attempt at oral modification of this Contract shall be void and of no effect.

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 it. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it.

Signed on _____

METRO--SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR—EARTHWORKS PAVING CONTRACTORS, INC.

By _____
Stephanie Straus
President

Approved as to Form:

Margaret Rose Gallagher
District Counsel

EXHIBIT -A-

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Invitation for Bids (IFB) for Parking Lot

Paving/Grade-Blending Construction

Project at 1200 River Street, Santa Cruz.

METRO IFB No. 08-14

Date Issued: November 8, 2007

Bid Deadline: 2:00 p.m., December 13, 2007



Contents of this IFB

Part I.	Instructions to Bidders
Part II.	Bid Form
Part III.	General Conditions of the Contract
Part IV.	Special Conditions of the Contract
Part V.	Contract
Part VI.	FTA Requirements for Construction Contracts
Part VII.	Protest Procedures
Attachment A	Disadvantaged Business Enterprise Information
Attachment B	Standard Agreement For Subcontractor/DBE Participation
Section 02740	Flexible Pavement Specifications
Construction Drawings	

PART I
INSTRUCTIONS TO BIDDERS

1.01 THE PUBLIC WORK

- A. The Santa Cruz Metropolitan Transit District (METRO) is requesting sealed bids for a fixed-price contract for parking lot paving/grade-blending and related site work to the parking lot located at METRO's Operations Yard, 1200 River Street, Santa Cruz. This public work shall include the furnishing of all supervision, labor, materials, freight, transportation, equipment, supplies, tools, services and other work as defined in the Invitation For Bid (IFB) No. 08-14 for this Project.
- B. This project involves grade-blending and paving of the parking lot area located next to METRO's new fueling facility in order to allow a smooth transition of the buses from the parking area into the new fueling facility. Such other items or details, not mentioned above, which are required by the plans, Standard Specifications, or these special provisions shall be performed, placed, constructed or installed.
- C. By submitting a Bid, the Bidder warrants that it has read and understood the entire IFB including Part VI of the IFB and agrees to fulfill all the requirements including Part VI if selected as the contractor.

1.02 RESERVED

1.03 COORDINATION, INTERPRETATION, AND EXAMINATION OF CONTRACT DOCUMENTS

CONTENTS: This Invitation for Bids (IFB) includes the construction drawings. This IFB includes the following parts: (I) Instructions to Bidders, (II) Bid Form, (III) General Conditions of the Contract, (IV) Special Conditions of the Contract, (V) Contract, (VI) FTA Requirements for Construction Contracts, and (VII) Santa Cruz Metropolitan Transit District Protest Procedures. The construction drawings are identified separately. The Final Contract with the Successful Bidder will be in the form and substance of the Contract (Part V) included in the IFB.

- A. All contractual provisions required by DOT, as set forth in Part VI and FTA Circular 4220.1E are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all FTA mandated terms (Part VI) shall be deemed to control in the event of a conflict with other provisions contained in this Contract. The Contractor shall not perform any act, fail to perform any act, or refuse to comply with any METRO requests, which would cause METRO or contractor to be in violation of the FTA terms and conditions.
- B. In the event of inconsistencies between requirements contained in different components of the contract documents, provisions in Part I, and III prevail over the remaining contract documents. In resolving other conflicting requirements among the Contract Documents, the order of precedence shall be as follows: 1. Change Orders, 2. Part V, 3. Addenda or Letters of Clarification, 4. Part IV of the Contract, 5. Drawings.
- C. The Bidder shall thoroughly examine and become familiar with all of the various parts of the contract documents and determine the nature and location of the work, the general and local conditions and all other matters, which can in any way affect the work under this contract. Failure to make an examination necessary for this determination shall not release the bidder from the obligations of this contract. No oral contract or conversation with any Director, officer, agent or employee of METRO, either before or after the execution of the contract, shall affect or modify any of the terms or obligations contained herein.

1.04 PRE-BID CONFERENCE AND JOB WALK

A pre-bid conference will be held on **November 15, 2007 at 9:00 a.m.** at the job site located at 1200 River Street, Santa Cruz.

- A. The pre-bid conference will consist of a discussion of the project requirements followed by a question and answer period. **Attendance at the pre-bid conference is not mandatory but strongly encouraged.**
- B. Questions regarding the IFB should be submitted in writing to the Purchasing Agent at 110 Vernon Street, Suite B, Santa Cruz, CA 95060 prior to the pre-bid meeting in order to allow METRO staff sufficient time to prepare responses. Written questions submitted prior to and questions raised at the pre-bid conference and job walk will be answered, if appropriate, by written addenda to the IFB. Upon posting or delivery, such addenda will become a part of the bid documents and binding on all eligible bidders.

1.05 QUESTIONS, CLARIFICATIONS AND IFB REVISIONS

- A. METRO has made every attempt to provide all information needed by bidders for a thorough understanding of the project terms, conditions and other requirements. It is expressly understood that it is Bidder's responsibility to examine and evaluate the work required under this IFB and the terms and conditions under which the work is to be performed. If omissions, discrepancies, apparent errors or a need for clarification or explanation are found in the IFB, including the engineering plans and specifications prior to the date of bid opening, the Bidder shall report such to METRO in writing and request a clarification from the METRO which, if substantiated, will be given in the form of addenda to all Bidders. The submission of a bid proposal shall be conclusive evidence that the Bidder has satisfied itself through its own investigation as to the conditions to be encountered, the character, quality and scope of work to be performed, the materials and equipment to be furnished and all requirements of the IFB. Written questions and/or written requests for clarification should be directed to:

Santa Cruz Metropolitan Transit District
110 Vernon Street, Suite B
Santa Cruz, CA 95060
Attn: Lloyd Longnecker, Purchasing Agent
E-mail: llongnecker@scmttd.com
Phone (831) 426-0199
FAX: (831) 469-1958

- B. METRO reserves the right to revise the IFB prior to the bid opening. Such revisions, if any, will be made by addenda to this IFB. Copies of such addenda will be furnished to all those who attend the Pre-Bid conference. If an addendum includes significant changes, the bid opening due date may be postponed by a number of days that the METRO considers appropriate for Bidders to revise their Bids. The announcement of a new date, if any, will be included in the addendum. In any event, the last addendum will be issued no later than fifteen (15) calendar days prior to the bid opening. Bidders shall acknowledge receipt of all addenda to the IFB Documents in their Bid. Failure to acknowledge receipt of all addenda may render the bid non-responsive.

1.06 SPECIFICATIONS BY BRAND OR TRADE NAME

METRO does not intend in any manner to limit the bidding directly or indirectly by calling for a designated material, product, thing, or service by a specific brand or trade name. If a brand or trade name exists in the IFB, the words "or equal" are intended to follow so that bidders may furnish any equal material, product, thing, or service. A Bidder shall submit data substantiating a request for a substitution of "an equal item" by **November 28, 2007**. METRO will inform all bidders of the request in the final addendum and whether METRO accepts or rejects the requested substitution.

1.07 EXPENSES TO BE INCLUDED IN BID PRICE:

- A. Unless otherwise specified in the IFB, the bid price shall include all expenses necessary that go into the specified construction and related site work under the IFB complete and ready for immediate use by the METRO without additional expense. Bid price shall include, without limitation, all costs for labor, services, equipment, materials, supplies, transportation, installation, overhead, packing, cartage,

insurance, license, fees, taxes, permits, bonds, inspection, tools and other expenses necessary to satisfy the provisions of the IFB, expressed and implied.

- B. Unless bidder is specifically instructed to do otherwise in the Specifications section of this IFB, sales taxes shall be included in the bid price in the amount of 8.5 % of the total bid price. Federal Excise Tax, from which the METRO is exempt, should not be included in the bid price. A Federal Excise Tax Exemption certificate will be furnished to the successful Bidder upon request.
- C. Samples of items, when required, must be furnished free of expense to the METRO and, if not destroyed by tests, may upon request, made at the time the samples are furnished, be returned at Bidder's expense.
- D. Should any unit price be left blank, the bid will be considered non-responsive unless the blank item can be calculated from the information available (i.e., unit price can be determined by dividing the total price by the estimated quantity).
- E. Should any total price be left blank, the bid will be considered non-responsive unless the blank item can be calculated from the information available (i.e., total price can be determined by multiplying the unit price by the estimated quantity).

If any one line item is left blank, and the above situations do not apply, no attempt will be made to reconcile the amounts. The bid in this case will be considered non-responsive.

1.08 INELIGIBLE PARTICIPANTS

Contractors or subcontractors who are ineligible from bidding on or performing public works contracts pursuant to California Labor Code §§1777.1 and/or 1777.7 and/or California Public Contract Code §6109 are prohibited from participating in this procurement. Bidders are prohibited from performing work on this Project with a subcontractor who is ineligible to perform work on public projects pursuant to Labor Code §1777.1 and/or Labor Code §1777.7. Any Bidder or subcontractor who is ineligible to perform work on public works projects pursuant to Labor Code §1771.1 and §1771.7 and/or Public Contract Code §6109 shall not bid on this Project and shall not be awarded the contract or any part thereof.

1.09 CONTRACTOR'S LICENSE REQUIRED

The work to be performed under the IFB require that the Contractor possess at the time that this contract is awarded a Class "C-12" License (Earthwork and Paving Contractor) under the provisions of Chapter 9, Division 3, of the Business and Professions Code of the State of California to do the type of work contemplated in the IFB and the Bidder shall be skilled and regularly engaged in the general class or type of work called for under this IFB. Bidder shall only hire subcontractors for this Project who are properly licensed for the work each is contracted to perform in accordance with federal and state laws.

Any bidder or contractor not so licensed shall be subject to all legal penalties imposed by law, including but not limited to any appropriate disciplinary action by the Contractors' State License Board. Failure of the Bidder to obtain proper and adequate licensing for an award of a contract shall constitute a failure to execute the contract and shall result in the forfeiture of the security of the bidder.

1.10 PREVAILING WAGE REQUIRED

Pursuant to Section 1773 of the California Labor Code, the general prevailing rate of wages for this Project has been determined by the Director of the Department of Industrial Relations, and such prevailing rate of wages is listed in the State of California, Business and Transportation Agency, Department of Transportation Publication entitled General Prevailing Wage Rates, current edition, and may be accessed online at http://www.dir.ca.gov/DLSR/statistics_research.html#PWD or at METRO's Administration Offices located at 370 Encinal, Suite 100, Santa Cruz. The Contractor shall forfeit, as penalty to the METRO, fifty dollars (\$50.00) for each calendar day or portion thereof, for each workman paid less than the stipulated prevailing rates for any work done under the contract by it or by any subcontractor under it,

in violation of the provisions of such Labor Code. (See also federal law requirements in Part VI-FTA Requirements for Construction Contracts).

1.11 BID PREPARATION

Bidders shall complete the entire Bid Form (Part II), including each required document in accordance with the following:

- A. The bidder shall not delete, modify, or supplement the printed matter in the Bid Form or make substitutions. Blank spaces in the Bid Form shall be properly filled. The phraseology of the Bid Form must not be changed, and no additions shall be made to the items mentioned therein. Alterations by erasure or interlineations must be explained or noted in the bid over the signature of the Bidder.
- B. The Bidder shall execute and submit all FTA Certifications as described in item 1.12 below.
- C. The Bid Form and all accompanying documents shall be completed in ink or typed.
- D. The bidder shall sign the bid in the blank space provided. If bidder is the sole owner, the owner shall sign the bid with his/her full name, address and phone number. If bidder is a corporation, two (2) corporate officers must sign on behalf of the corporation as follows: (1) the chairman of the board, president, or vice president; and (2) the secretary, assistant secretary, chief financial officer, or assistant treasurer. If bidder is a partnership, the true name of the firm shall be set forth above; the names and addresses of all partners shall be given and a partner in the firm shall sign the bid authorized to sign contracts on behalf of the partnership. If the bidder is a joint venture, the bid shall be signed by each participating company, by officers, or other individuals who have the full and proper authorization to do so. If the bid is signed by an agent of the bidder, other than an officer of a corporation or a member of a partnership, a notarized power-of-attorney must be on file with METRO prior to opening of bids, or must be submitted with the bid. If requested by METRO, the bidder shall promptly submit evidence satisfactory to METRO of the authority of the person signing the bid. If satisfactory evidence of authorization is not provided, the Bid will be rejected as irregular and unauthorized.

1.12 BID CONTENTS

Bids shall include, but not be limited to, the following:

- A. Completion and submittal of the Bid Form and the Bidder's Declarations and Statement of Understanding and that Bidder can meet the licensing requirements at the time of the award. (Bid Form Document 1)
- B. The Bidder shall provide sufficient information to demonstrate to METRO's satisfaction that the Bidder is responsible. Criteria used by the METRO to determine Bidder responsibility includes, without limitation, whether Bidder and its proposed subcontractors have the skill, experience, necessary facilities and financial resources to perform the Contract in a satisfactory manner and within the required time. A brief description of the history and background of the firm, including a statement of the bidder's qualifications and experience in performing the type of work required for this project must be submitted by the Bidder. The Bidder shall complete and submit the Statement of Bidder's Qualifications, Experience, Financial viability and Ability and Project Capacity with the Bid Form. (Bid Form Document 2)
- C. Completed Non-Collusion Affidavit (Bid Form-Document 3)
- D. Completed Bidder's Bond or documentation in support of required Bidder's security. (Bid Form-Document 4)
- E. Completed Certification of Proposed Contractor Regarding Debarment, Suspension and other Ineligibility and Voluntary Exclusion (Bid Form- Document 5).

- F. Completed Certification of Proposed Subcontractor regarding Debarment, Suspension and other Ineligibility and Voluntary Exclusion (Bid Form- Document 6).
- G. Disclosure of Governmental positions (Bid Form-Document 7).
- H. A statement listing each subcontractor who will perform work in excess of one-half percent of the total bid proposed for the project. Completion and submittal of Designation of Subcontractors. (Bid Form-Document 8)
- I. Completed Buy America Certificate (Bid Form- Document 9)
- J. Completed Certification Regarding Lobbying (Bid Form-Document 10)
- K. Completed Disadvantaged Business Enterprise (DBE) Certificate (Bid Form-Document 11)
- L. Completed Statement of Compliance (Bid Form-Document 12)
- M. Apprenticeship Employment Certification (Bid Form-Document 13)
- N. Completed Workers' Compensation Certification (Bid Form-Document 14)
- O. Completed Conflict of Interest Statement (Bid Form-Document 15).

1.13 BID SUBMISSION

- A. To be considered, one (1) original of the bid must be received by **2 p.m. Pacific Standard time on December 13, 2007** at the Santa Cruz Metropolitan Transit District, 110 Vernon Street, Suite B, Santa Cruz, California 95060, Attn: Lloyd Longnecker, Purchasing Agent. **Bids received after the deadline or delivered to a different location will be returned, unopened.**
- B. Each bid must be submitted in a sealed envelope and be clearly marked to show the bidder's name and the contract name and number, without being opened. **Faxed or electronic bids will not be accepted. All portions of the Bid are to be completed before the Bid is submitted. Failure to do so may result in the bid being rejected as non-responsive.**
- C. All Bidders are put on notice that any collusive agreement fixing the prices to be bid so as to control or affect the awarding of this Contract is in violation of the METRO's competitive bidding requirements and may render void any Contract let under such circumstances.
- D. Any Bid submitted shall remain valid for a period of sixty (60) days from the date of the Bid Opening. However, the successful Contractor shall have no rights to the contract until the Contract has been fully executed by the METRO and a Notice to Proceed has been issued to the Contractor.

1.14 PUBLIC OPENING OF BIDS

Bids will be publicly opened and each bidder's price shall be read aloud on **December 13, 2007**, at 2:10 p.m. or as soon thereafter as possible, at 110 Vernon Street, Suite B, Santa Cruz, California. Bidders, their authorized representatives and others interested are invited to be present. The remaining content of the bids shall not be made public until after the award is made by METRO's Board of Directors.

1.15 RECEIPT OF SINGLE BID BY METRO

If only one bid is received in response to the IFB, a cost/price analysis of the bid may be performed to determine if the bid price is fair and reasonable. The Bidder may be required to submit to METRO within five (5) days of METRO demand, a detailed cost proposal. The Bidder shall cooperate with METRO in completing and submitting detailed information for the cost and price analysis.

1.16 DISQUALIFICATION OF BIDDERS

- A. More than one bid from an individual, firm, partnership, corporation, or combination thereof under the same or different names will not be considered. Reasonable grounds for believing that any individual, firm, partnership, corporation, or combination thereof is interested as a principal in more than one bid for the work contemplated, may cause the rejection of all bids in which such individual, firm, partnership, corporation, or combination thereof is interested. If there is reason for believing that collusion exists among the bidders, any or all bids may be rejected. A party who has quoted prices on materials or work to a bidder is not thereby disqualified from quoting prices to other bidders, or from submitting a bid directly for the materials or work. A bid may be rejected on the basis of a bidder, any officer of such bidder, or any employee of such bidder who has a proprietary interest in such bidder having been disqualified, removed, or otherwise prevented from bidding on, or completing, a federal, state, or local project because of a violation of law or a safety regulation.
- B. Pursuant to California Public Contract Code Section 7106, a bidder shall execute and submit with its bid, a duly notarized "Affidavit of Non-Collusion" on the form included in the IFB. Upon execution of the Affidavit, the bidder represents and warrants that such bid is genuine and not a sham or collusive or made in the interest or on behalf of any person not therein named, and that the bidder has not, directly or indirectly, induced or solicited any other bidder to put in a sham bid, or any other person, firm, or corporation to refrain from bidding, and that the bidder has not in any manner sought by collusion to secure to the bidder an advantage over any other bidder.
- C. If at any time it shall be found that the person, firm or corporation to whom a contract has been awarded has, in presenting any bid or bids, colluded with any other party or parties, then the contract so awarded shall be null and void and the Contractor and its bondsmen shall be liable to METRO for all loss or damage which METRO may suffer thereby and the Board of Directors may advertise for a new contract for construction of the Project.

1.17 WITHDRAWAL OF BIDS

A bidder may withdraw its bid at any time **before** the time established in the IFB for the opening of bids only by filing a written notice with the Purchasing Agent. An oral notice of withdrawal is ineffective.

1.18 METRO RIGHTS

METRO may investigate the qualifications of any Bidder under consideration inclusive of, but not limited to, the information provided in the Bid. METRO may require confirmation of information furnished by the Bidder and require additional evidence of qualifications to perform the Work described in this IFB. METRO reserves the right to:

- A. Reject any or all of the bids, at its discretion;
- B. Reject any bid that, in the opinion of METRO, is so unbalanced in comparison to other bids received and/or to METRO's internal estimates that it does not accurately reflect the cost to perform the Work;
- C. Cancel the entire IFB;
- D. Issue Subsequent IFB;
- E. Appoint evaluation committees to review bids;
- F. Seek the assistance of outside technical experts to evaluate bids;
- G. Disqualify the bid(s) upon evidence of collusion with intent to defraud or other illegal practices on the part of the Bidder(s); and
- H. Waive any errors or informalities in any bid or in the bidding procedure, to the extent permitted by law.

This IFB does not commit METRO to award or enter into a contract nor does it obligate the METRO to pay for any costs incurred in the preparation and submission of bids or in anticipation of a contract.

METRO may reject the bid of any party who has been delinquent or unfaithful in any former contract with the METRO. METRO may reject a bid from a Bidder who cannot satisfactorily prove that it is responsible as required in the IFB or whose Bid is not responsive.

Bids may be rejected if they show such items as: any alteration of form; additions not called for; conditional bids; incomplete bids; erasures; irregularities which make the bids incomplete, indefinite, or ambiguous; obviously unbalanced prices; no acceptable bid security; signature by other than an authorized person; addenda not properly acknowledged; failure to use designated Bid Form; bid materially fails to conform to the requirements of the bid documents or if the bid is not properly executed.

1.19 RELIEF OF BIDDERS

A bidder, after the bid opening, shall not be relieved of the bid unless METRO consents in writing. Such relief may be obtained by submitting a written request for its withdrawal to the Purchasing Agent. No change to the bid shall be made because of a mistake, except as provided in Section 5100 et. seq. of the Public Contract Code. The bidder is cautioned that, pursuant to Public Contract Code 5105, a bidder who claims a mistake or who forfeits its Bid Security shall be prohibited from participating in further bidding on the project in which the mistake was claimed or security forfeited.

1.20 PROTEST PROCEDURES

A. Protest before Bid Opening

Bid protests based upon the content of the IFB, restrictive specifications or alleged improprieties in the bidding procedure shall be filed in writing with the Purchasing Agent, ten (10) calendar days prior to the bid opening date. The protest must clearly specify the grounds on which the protest is based and include any supporting information.

B. Protest of Award

A bidder (or other interested party as defined under METRO's Protest Procedures) may file a protest with METRO alleging a violation of applicable federal or state law and/or METRO policy or procedure relative to the seeking, evaluating and/or awarding of the contract. Such protest must be filed no later than five (5) calendar days after the METRO's staffs' recommendation and Notice of Intent to award is issued to the bidders.

C. Protest Procedures Available

Copies of METRO's Procurement Protest Procedures are part of the IFB (Part VII). **FAILURE TO COMPLY WITH ANY OF THE REQUIREMENTS SET FORTH IN METRO'S WRITTEN PROTEST PROCEDURES MAY RESULT IN REJECTION OF THE PROTEST.**

1.21 RESERVED

1.22 RESERVED

1.23 PROHIBITED INTERESTS

- A. By submitting a bid, the bidder represents and warrants that neither the General Manager, nor any Director, officer, agent, or employee of METRO is in any manner interested directly or indirectly in the bid or in the contract which may be awarded under it, or in any expected profits to arise there from (State of California Government Code section 1090 et seq.).
- B. No member, officer, agent, or employee of METRO or any public entity during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in the contract to be awarded.

1.24 GRATUITIES

- A. It is improper for any METRO officer, employee or agent to solicit consideration, in any form, from a Bidder with the implication, suggestion or statement that the Bidder's provision of the consideration may secure more favorable treatment for the Bidder in the award of the contract or that the Bidder's failure to provide such consideration may negatively affect the METRO's consideration of the Bidder's submission. A Bidder shall not offer or give, either directly or through an intermediary, consideration, in any form, to a METRO officer, employee or agent for the purpose of securing favorable treatment with respect to the award of the contract.
- B. A Bidder shall immediately report any attempt by a METRO officer, employee or agent to solicit such improper consideration. The report shall be made to METRO's Purchasing Agent at 831-426-0199. Failure to report such a solicitation may result in the Bidder's submission being eliminated from consideration.
- C. Among other items, such improper consideration may take the form of cash, discounts, services, the provision of travel or entertainment, or tangible gifts.

1.25 REQUIRED CERTIFICATIONS

Bids shall include all required Certifications, including a statement that the insurance requirements set forth in the IFB can be obtained and will be carried without reservation or exclusion should bidder be awarded a contract pursuant to the IFB.

1.26 SUBCONTRACTING

- A. The bidder shall submit with his/her bid the names and business addresses of each subcontractor who will perform work under the contract in excess of ½ of 1 percent of the amount of the total bid and shall list the portion of the work which will be done by each subcontractor. This information shall be supplied on the Designation of Subcontractors Form, which is part of the Bid Form. Attention is directed to the requirements of Sections 4100 to 4114, inclusive, of the California Public Contract Code, which are applicable to this contract. The contractor shall not, without the consent of METRO, either substitute any person as subcontractor in place of the subcontractor designed in the original List of subcontractors, or sublet or subcontract any portion of the work in excess of ½ of 1 percent of the total amount of his/her bid for which he/she did not originally designate a subcontractor. When a portion of the work, which has been subcontracted by the contractor, is not being performed in a manner satisfactory to METRO, the subcontractor shall be removed immediately on the request of METRO, and shall not again be employed on the work.
- B. The contractor will require, by written Contract, each subcontractor to be bound to the contractor by the terms of the contract documents, and to assume toward the contractor, all the obligations and responsibilities which the contractor, by the contract documents, assumes toward METRO, to the extent of the work to be performed by the subcontractor. Each subcontract shall preserve and protect the rights of METRO under the contract documents with respect to the work to be performed by the subcontractor so that subcontracting will not prejudice such rights.

1.27 BOND REQUIREMENTS

A. Bidders Security

- 1. All bids must be accompanied by bidder security in an amount not less than ten percent (10%) of the Total Contract Price, payable to METRO. The Bidder's Security must be in the form of cash, a cashier's check, a certified check, or a Bidder's Bond or a combination thereof. If a Bidder's Bond is furnished, it must conform to the form enclosed in the IFB. (Bid Form, Part II)

2. Documents and the surety thereon must be a fully qualified surety company acceptable to METRO, listed as a company possessing the authority to issue surety bonds in the State of California. Bidder's securities will be held until the Contract has been fully executed, after which all Bidders' securities, except any Bidders securities which have been forfeited, will be returned to the respective Bidders as soon as practicable but in no event beyond sixty days from the award of the contract.

B. Payment Bond

A payment bond in the form set forth in the IFB (Part V) shall be executed within ten working days after the signing of a Contract in an amount not less than one hundred percent (100%) of the Contract price. The payment bond shall provide METRO with security for Contractor's full payment to all subcontractors for costs of materials, equipment, supplies, and labor furnished in the course of performance of the Contract.

C. Performance Bond

A performance bond in the form set forth in the IFB (Part V) shall be executed within ten working days after the signing of a Contract in an amount not less than one hundred percent (100%) of the Contract price. The performance bond shall guarantee the Contractor's faithful performance of the Contract in compliance with all terms, conditions and requirements specified in the Contract documents.

1.28 AWARD OF CONTRACT

- A. METRO will make an award to the lowest responsible bidder, whose bid is responsive to all the requirements of the IFB. Any such award will be made pursuant to a Notice of Award signed by METRO within 60 days after bid opening. If the lowest responsive, responsible Bidder refuses or fails to execute the contract, METRO may award the contract to the next lowest responsive, responsible Bidder or solicit new bids.
- B. The Santa Cruz Metropolitan Transit District will not discriminate with regard to race, color, ancestry, national origin, religion, sex, sexual orientation, marital status, age, medical condition or disability in the consideration for an award.
- C. METRO will select the lowest responsible bidder based on a determination of (1) which bidder is the lowest monetary bidder on the Base Bid; (2) whether or not the lowest monetary bidder submitted a responsive bid; and (3) whether or not the lowest monetary bidder is responsible.
- D. The lowest monetary bidder shall be determined based on the total unit price amounts (Base Bid).
- E. A bid will be determined to be responsive if it does what the bidding instructions demand and all required documentation is provided. The following factors will be evaluated:

<u>RESPONSIVE FACTORS</u>	<u>CRITERIA</u>
1. Bidder's Bond	Pass/Fail
2. Completed Documentation and Required Certification Submitted	Pass/Fail
3. Bid Meets IFB Requirements	Pass/Fail

- F. Responsibility is defined as the apparent ability of the Bidder to meet and successfully complete the requirements of the Contract. Responsibility includes consideration of a Bidder's trustworthiness, the quality of past performance, financial ability, and the fitness and capacity to do the proposed work in a satisfactory and safe manner. Bidder may be required to present further evidence that it has successfully performed similar work of comparable magnitude or provide other proof satisfactory to METRO that it is competent to successfully perform the Work. The following factors will be evaluated:

<u>RESPONSIBILITY FACTORS</u>	<u>CRITERIA</u>
1. Quality of Past Performance and Experience	Pass/Fail
2. Key Personnel Experience	Pass/Fail
3. Financial Viability and Ability	Pass/Fail
4. Fitness and Capacity to do the Proposed Work	Pass/Fail

1.29 EXECUTION OF CONTRACT

The bidder to whom an award is made shall execute the contract and furnish the required proof of Insurance and payment and performance bonds within ten (10) working days after receipt of Notice of Award. All required documents shall be returned to the Purchasing Agent, 110 Vernon Street, Suite B, Santa Cruz, California 95060.

1.30 USE OF CONSULTANTS

- A. No limitation shall be imposed on METRO’s use of Consultants in any activity related to the Scope of Work. The Consultants, if any, at the direction of METRO’s Project Manager, shall be accorded the same access to facilities and participation in the work activity as any member of METRO’s project team. Involvement of Consultants may include, but shall not be limited to, supervision of construction, contract administration, inspection, progress and technical meetings, conference calls, document review, etc., as directed by METRO.
- B. METRO shall have the option of adding Consultants to the distribution list to receive all or selected contract documents.

1.31 PUBLIC RECORDS ACT

- A. Responses to this IFB shall be subject to the provisions of the California Public Records Act (Government Code Sections §6250 et. seq.).
- B. The Bidder may label information as “Trade Secret”, “Confidential” or “Proprietary”. METRO will not advise as to the nature or content of documents entitled to protection from disclosure under the California Public Records Act. METRO will use its best efforts to inform the Contractor of any request for any documents provided by the Bidder to METRO marked “Trade Secret”, “Confidential”, or “Proprietary”. However, it is incumbent on the Contractor to assert any rights to confidentiality and to seek and obtain a court order prohibiting the release of such information.
- C. Under no circumstances, will METRO be responsible or liable to the Bidder or any other party for the disclosure of any such labeled information, whether the disclosure is required by law or a court order or occurs through inadvertence, mistake, or negligence on the part of METRO or its officers, employees, agents, and/or Contractors.
- D. The Bidder, at its sole expense and risk, shall be responsible for prosecuting or defending any action concerning the information contained in the IFB and shall hold METRO harmless from all costs and expenses, including attorney’s fees, in connection with such actions.

1.32 DISADVANTAGED BUSINESS ENTERPRISES

- A. This contract is subject to the requirements of Title 49, Code of Federal Regulations Part 26, Participation by Disadvantaged Business Enterprises in Department of Transportation Finance Assistance Program. A contract goal of 2 % DBE participation has been established for this procurement.
- B. Bidders are required to document sufficient DBE participation to meet METRO’s established contract goal or, alternatively, document adequate good faith efforts to do so as provided for in 49 CFR 26.53.

Award of this contract is conditioned on submission of the following documentation concurrent with and accompanying the sealed bid:

1. The names and addresses of DBE firms that will participate in this contract;
 2. A description of the work each DBE will perform;
 3. The dollar amount of the participation of each DBE firm participating;
 4. Written documentation of the bidder's commitment to use a DBE whose participation it submits to meet the goal;
 5. Written confirmation from the DBE that it is participating in the contract as provided in the Bidder/Contractor's commitment;
 6. If the contract goal is not met, evidence of good faith efforts to do so.
- D. For a listing of Certified Disadvantaged Business Enterprise (DBE) firms, please go to the State of California, Caltrans website address: <http://www.dot.ca.gov/ucpquery/index2.jsp> This site will provide access to the State's Unified Certification Program for DBE listings that are updated daily.

1.33 PERMITS

No permits are required for this work.

II. BID FORM
Document 1

FOR: **Parking Lot Paving/Grade-Blending Project and Related Site Work**

BID TO: Santa Cruz Metropolitan Transit District
Attention: Lloyd Longnecker, Purchasing Agent
110 Vernon Street, Suite B
Santa Cruz, CA 95060

BID FROM:

(Print Name of firm submitting Proposal)

(Address)

(City, State, Zip Code)

(Telephone)

(Fax)

(Email address)

Bidder's Declarations and Statement of Understanding

- 1) The Bidder declares that he/she has read the IFB and has authority to submit the following bid. The bidder understands that, in addition to this Bid Form, the IFB and bidder's supporting documentation constitute parts of the bid and are incorporated herein by reference. Bidder acknowledges that addenda numbers ____ through ____ have been delivered and have been taken into account as part of this bid, and that all addenda issued are hereby made part of the bid.
- 2) The Bidder declares that he/she understands that all portions of the Bid Form must be completed before the bid is submitted. Failure to do so may result in the bid being rejected as non-responsive. Attached to and submitted with the Bid Form, bidder must provide the following completed documents: Statement of Bidder's Qualifications, Experience, Financial Viability and Ability and Project Capacity, Non-Collusion Affidavit, Bidder's Bond or Security as required, Certification(s) regarding Disbarment for Contractor and for Subcontractors, Disclosure of Governmental Positions, Designation of Subcontractors, Buy America Certificate, Certification Regarding Lobbying, Disadvantaged Business Enterprise (DBE) Certification and Information Report, Statement of Compliance, Apprenticeship Employment Certification, Workers' Compensation Certification and Conflict of Interest Statement. Failure to submit all required documents completed may result in the bid being rejected as non-responsive.
- 3) The Bidder declares and agrees that it can and will meet the insurance requirements set forth in the IFB and all required insurance will be carried without reservation or exclusion should Bidder be awarded a contract pursuant to the IFB, during the entire term of the contract and any extensions thereof.
- 4) The bidder, having the appropriate active contractor's license (**Class "C-12"**) required by the State of California; or able to obtain the appropriate license by the time of the award of the contract and having carefully read and examined the plans, specifications, and all related bidding documents as prepared by

II. BID FORM
Document 1

METRO for the parking lot paving/grade-blending project and related site work, having carefully and fully examined the sites of the proposed work and all information available to bidder, and being familiar with all the conditions related to the proposed work, including the availability of materials, equipment, and labor, hereby offers to furnish all labor, materials, tools, transportation, services, and equipment necessary to complete the work of the described project in accordance with the IFB, and to complete all requirements of the IFB for the sums quoted in this Bid Form. The bidder agrees that it will not withdraw its bid within sixty (60) days after the bid submission deadline. If the bidder is selected as the apparent lowest responsive responsible bidder, the bidder agrees, within ten (10) working days after receipt of notice of award, to sign and deliver the Contract, and to furnish the Performance Bond, the Payment Bond, Certificates of Insurance, and other required items to the Purchasing Agent at 110 Vernon Street, Suite B, Santa Cruz, California 95060. If awarded the Contract, the bidder agrees to complete the project within **14 calendar days** after the date of the commencement specified in the Notice to Proceed.

- 5) The bidder agrees to perform the work for the combined cost of all items of work in the amount of:

_____ Dollars (\$ _____)
(In words-printed or typed)

- 6) Bidder represents warrants and agrees that if awarded the contract, bidder shall perform a minimum of _____
_____ (%) of the total of all work with its own forces.

There is herewith enclosed cash, a Bidder's Bond, or bid security for the benefit of, or a certified check or cashier's check made payable to, Santa Cruz Metropolitan Transit District in the amount of:

_____ Dollars (\$ _____)
(In words-printed or typed)

The bidder agrees that if the bidder is selected as the apparent lowest responsive responsible bidder whose bid is responsive, and the bidder fails to sign the Contract and/or furnish the Performance Bond, the Payment Bond, Certificates of Insurance, and/or other required items within the time limit specified in the IFB, the Santa Cruz Metropolitan Transit District may award the work to another bidder or call for new bids. In such event, the bidder shall be liable to the Santa Cruz Metropolitan Transit District for the difference between the amount of the disqualified bid and the larger amount for which the Santa Cruz Metropolitan Transit District procures the work plus all of the Santa Cruz Metropolitan Transit District's costs, damages, expenses and liabilities arising from bidder's failure to sign the Contract and/or furnish the required documents.

BIDDER IS A: (circle one)

Corporation Partnership Individual Joint Venture Other _____

Federal Tax Number: _____

Business License Number: _____

What is the official name registered with the IRS for this number?

When were you organized? _____

If a Corporation, where incorporated? _____

How many years have you been in the contracting business under your current firm name or trade name? _____

State the date bidder first began business _____

**II. BID FORM
Document 1**

State any other names that bidder has used or done business under in the past five (5) years.

NAMES AND TITLES OF KEY MEMBERS OF FIRM: _____

(Name of person signing the bid on behalf of the bidder and all general partners, if a partnership, must be included.)

NAME OF PRESIDENT IF A CORPORATION: _____

NAME OF SECRETARY IF A CORPORATION: _____

STATE OF INCORPORATION: _____

CALIFORNIA CONTRACTOR'S LICENSE(S):

Contractor warrants that it either has the required license as indicated or will possess the required license at the time of the award.

Name of License(s):

Classification(s)	Number	Expiration Date
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(For Joint Ventures, list license or licenses for all Joint Venture partners.)

CORPORATE SEAL:

Identification of contact person during IFB process:

Name: _____

Address: _____

Telephone Number: _____

Fax Number: _____

E-Mail Address: _____

II. BID FORM
Document 1

Acceptance of Terms:

Execution of this Bid Form shall be deemed as acceptance of all the terms and conditions as set forth in the Notice and Invitation of Bids, including but not limited to the Instructions to Bidders (Part I), Bid Form (Part II), General Conditions of Contract (Part III), Special Conditions of Contract (Part IV), Contract (Part V), the FTA Requirements for construction contracts (Part VI), Volumes 2 and 3 of the IFB and the construction drawings.

NAME OF BIDDER'S FIRM:

Address: _____

By: _____
(Signature)

(Print)

By: _____
(Signature)

(Print)

(If signature is by other than the sole proprietor, general partner, or corporate officers, attach an original Power of Attorney.)

BID FORM – DOCUMENT 2

**STATEMENT OF BIDDER'S QUALIFICATIONS, EXPERIENCE,
FINANCIAL VIABILITY, AND ABILITY & PROJECT CAPACITY**

(Use Additional Sheets if necessary)

This form must be completed, signed by bidder, and submitted to the Santa Cruz Metropolitan Transit District with the bidder's submitted bid package or no later than 10:00 am on December 15, 2005. Failure to complete, sign and submit this document may result in bidder's submitted bid to be rejected as non-responsive.

The BIDDER is required to state below what work of similar magnitude or character it has completed, and to give a minimum of three (3) references that will enable METRO to judge its experience, skill and business standing and of his/her/its ability to construct the Project as completely and as rapidly as required under the terms of the IFB.

All questions must be answered and the data given must be clear and comprehensive. Provide the nature of the work performed, for whom, amount of contract, dates of work, and the name of architect, engineer, or other supervising person or public agency. **If necessary, questions may be answered on separate attached sheets.** The BIDDER may submit any additional information it believes is relevant to its qualifications and experience.

1. State the full legal name of the bidder.
2. State the name and title of each officer or other legal entity, which has a legal or equitable ownership of ten percent (10%) or more of the bidder. For each such person or legal entity, state that person or entity's ownership interest, and responsibilities, if any.
3. Has any person or legal entity holding a legal or equitable ownership of ten percent (10%) or more of the bidder, ever been accused of a civil violation of California Government Code Section 12650, et seq., (False Claims Act) or 31 United State Code Section 3729, et seq.? If so, describe in detail all facts, circumstances and the outcome.
4. Has any person or legal entity holding a legal or equitable ownership of ten percent (10%) or more of the bidder, ever been determined by a public agency to not be a responsible bidder? If so, state the name, address and telephone number of the public agency, including the name of the agency's contact person.
5. For every lawsuit or arbitration between bidder and the owner of construction project, limited to such lawsuits or arbitrations initiated or completed within the past seven (7) years, state the name and address of the tribunal, the matter number, the parties, a general description of the nature of the dispute, and the outcome, if any.
6. Within the past seven (7) years, has bidder paid liquidated damages, ever failed to complete a construction project, within the time allowed by the contract, including any agreed upon contract extensions? If so, state the name, address and telephone number of the owner of such construction project including the name of the agencies' contact person, and further, describe in detail the nature of the work of improvement.
7. Within the last seven (7) years has any surety of bidder ever paid or satisfied any claim against the bidder? If so, state all facts and circumstances, including the name, address and telephone number of surety and all claimants.
8. Has any surety of bidder ever been called upon to complete a project for the bidder? If so, state all facts and circumstances, including the name, address and telephone number of surety and all claimants.
9. For each construction project that bidder is either (a) currently furnishing labor, services, materials or goods, or (b) under contract to furnish labor, services, materials or goods, state: A general description of the project; the current status of the project and bidder's work thereon; the owner's name, address and telephone number; the amount of bidder's contract on such project and the scheduled completion date.
10. State bidder's annual gross income for each of the last five fiscal years.

BID FORM – DOCUMENT 2

11. At a minimum to be responsible, you must meet the following criteria (Documentation must be attached setting forth the Name of Owner, Address, Contact Person, phone number, e-mail address of each project that Bidder claims meet the owner required criteria so that METRO can verify Bidder's experience.):
 - a. The General Contractor or subcontractor thereof shall have completed to the public owner's satisfaction, at least **two (2) public works** projects in the State of California of similar scope, size, and complexity of this project.

BID FORM – DOCUMENT 2

THE FOLLOWING CERTIFICATION MUST BE SIGNED BY AN OWNER, GENERAL PARTNER, OR OFFICER OF BIDDER.

I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA, AND DO PERSONALLY CERTIFY AND ATTEST THAT: I HAVE THOROUGHLY REVIEWED THE ATTACHED BIDDER QUALIFICATION QUESTIONNAIRE, AND KNOW ITS CONTENTS, AND CERTIFY THAT THE RESPONSES PROVIDED TO THE BIDDER QUALIFICATION QUESTIONNAIRE ARE TRUTHFUL, COMPLETE AND ACCURATE; AND THAT SANTA CRUZ METROPOLITAN TRANSIT DISTRICT MAY REASONABLY RELY UPON THE CONTENTS AS BEING COMPLETE AND ACCURATE; AND, FURTHER, THAT I AM FAMILIAR WITH CALIFORNIA PENAL CODE SECTION 72 AND CALIFORNIA GOVERNMENT CODE SECTION 12650, ET SEQ, PERTAINING TO FALSE CLAIMS, AND FURTHER KNOW AND UNDERSTAND THAT SUBMISSION OR CERTIFICATION OF A FALSE CLAIM MAY LEAD TO FINES, IMPRISONMENT AND/OR OTHER SEVERE LEGAL CONSEQUENCES. I FURTHER CERTIFY THAT BIDDER MEETS THE MINIMUM QUALIFICATION CRITERIA SET FORTH HEREIN.

Executed on the date indicated below, at the location indicated below.

Dated: _____

Bidder: _____
(Company's Name)

By: _____
(Signature)

(Printed name of signor)

(Title of signor)

BID FORM – DOCUMENT 3
NON-COLLUSION AFFIDAVIT

(TO BE SIGNED BY BIDDER AND SUBMITTED WITH BID)

Pursuant to Section 7106 of the Public Contract Code,

(Name)

being first duly sworn, deposes and says that he or she is

(Title)

of _____,
(Company Name)

the party making the foregoing bid; the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any Bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the Bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the Bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other Bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the Bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

Signature

**BID FORM – DOCUMENT 4
BIDDER’S BOND**

That we _____ As PRINCIPAL and _____
_____ As SURETY, are held and firmly bound
unto the Santa Cruz Metropolitan Transit District herein called “METRO” OR “DISTRICT” the sum of TEN (10)
PERCENT OF THE TOTAL AMOUNT OF THE BID of the Principal named above, submitted by said Principal to
the METRO for the work described below, for the payment of which lawful money of the United States of America,
well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and
severally, firmly by these presents. In no case shall the liability of the Surety hereunder exceed the sum of \$ _____
_____.

THE CONDITION OF THIS OBLIGATION IS SUCH,
That whereas the Principal has submitted a Bid No. 08-14 for certain construction specifically described as follows,
which is to be opened on December 13, 2007 for Labor and materials for Parking Lot Paving/Grade-Blending and
Relate Site Work at 1200 River Street, Santa Cruz, CA.

NOW, THEREFORE, if the aforesaid Principal is awarded a Contract, and within the time and manner required
under the specifications, after the prescribed forms are presented to it for signature, enters into a written Contract, in
the prescribed form in accordance with the Bid, and files two bonds with the METRO, one to guarantee faithful
performance and the other to guarantee payment for labor and materials, then this obligation shall be null and void,
otherwise, it shall be and remain in full force and effect.

In the event that the METRO brings suit upon this bond and judgment is recovered, the Surety shall pay all costs
incurred by the METRO in such suit, including a reasonable attorney’s fee to be fixed by the court.

California law shall govern the interpretation of this bond.

To be considered complete, both the Bidder and an admitted Surety insurer authorized by the California Insurance
Commissioner to transact surety business in the State of California must sign this Bidder’s bond. In addition, the
Surety’s signature must be notarized and a copy of the Surety’s power of attorney must be attached.

In witness whereof, WE HAVE HEREUNTO SET OUR HANDS AND SEALS ON THIS _____ DAY OF
_____, _____.

PRINCIPAL

BY

PRINCIPAL SEAL

SURETY

BY

SURETY SEAL

ADDRESS OF SURETY

[End of Bidders Bond.]

BID FORM – DOCUMENT 5

**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

BID FORM – DOCUMENT 6

**CERTIFICATION OF PROPOSED SUBCONTRACTOR REGARDING
DEBARMENT, SUSPENSION AND OTHER INELIGIBILITY AND VOLUNTARY
EXCLUSION**

(Subcontractor) _____ 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.

(Subcontractor) _____, 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

BID FORM – DOCUMENT 8
DESIGNATION OF SUBCONTRACTORS

To comply with the requirements of the California Subletting and Subcontracting Fair Practices Act, bidder shall list the name and address of each Subcontractor, including D.B.E. Subcontractor to whom bidder proposes to Subcontract more than ½ of 1 percent of the work, and description and portions of the Work or services Subcontracted.

Attach additional copies of this form if more space is required.

<u>Name of Subcontractor</u>	<u>Business Address</u>	<u>Trade/Craft</u>	<u>% of Total Bid</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
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_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**BUY AMERICA CERTIFICATE
BID FORM – DOCUMENT 9**

Certification requirement for procurement of steel, iron, or manufactured products.

Certificate of Compliance with 49 U.S.C. 5323(j)(1)

The bidder or offeror hereby certifies that it will meet the requirements of 49 U.S.C. 5323 (j)(1) and the applicable regulations in 49 CFR Part 661.5.

Date _____

Signature _____

Company Name _____

Title _____

Certificate of Non-Compliance with 49 U.S.C. 5323(j)(1)

The bidder or offeror hereby certifies that it cannot comply with the requirements of 49 U.S.C. 5323(j)(1) and 49 C.F.R. 661.5, but it may qualify for an exception pursuant to 49 U.S.C. 5323(j)(2)(A), 5323(j)(2)(B), or 5323(j)(2)(D), and 49 C.F.R. 661.7.

Date _____

Signature _____

Company Name _____

Title _____

Certification requirement for procurement of buses, other rolling stock and associated equipment.

Certificate of Compliance with 49 U.S.C. 5323(j)(2)(C)

The bidder or offeror hereby certifies that it will comply with the requirements of 49 U.S.C. 5323(j)(2)(C) and the regulations at 49 C.F.R. Part 661.11.

Date _____

Signature _____

Company Name _____

Title _____

Certificate of Non-Compliance with 49 U.S.C. 5323(j)(2)(C)

The bidder or offeror hereby certifies that it cannot comply with the requirements of 49 U.S.C. 5323(j)(2)(C) and 49 C.F.R. 661.11, but may qualify for an exception pursuant to 49 U.S.C. 5323(j)(2)(A), 5323(j)(2)(B), or 5323(j)(2)(D), and 49 C.F.R. 661.7.

Date _____

Signature _____

Company Name _____

Title _____

BID FORM – DOCUMENT 10
CERTIFICATION REGARDING LOBBYING

(To be submitted with each bid or offer exceeding \$100,000)

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 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 or 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 [as amended by “Government wide Guidance for New Restrictions on Lobbying,” 61 Fed. Reg. 1413 (1/19/96). Note: Language in paragraph (2) herein has been modified in accordance with Section 10 of the Lobbying Disclosure Act of 1995 (P.L. 104-65, to be codified at 2 U.S.C. 1601, *et seq.*)]
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients 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 Contractor, _____, certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understand and agrees that the provisions of 31 U.S.C. A 3801, *et seq.*, apply to this certification and disclosure, if any.

_____ Signature of Contractor’s Authorized Official

_____ Name and Title of Contractor’s Authorized Official

_____ Date

**BID FORM – DOCUMENT 10
CERTIFICATION REGARDING LOBBYING**

DISCLOSURE FORM TO REPORT LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

1. Type of Federal Action: <input type="checkbox"/> a. Contract b. Grant c. Cooperative agreement d. Loan e. loan guarantee f. loan insurance	2. Status of Federal Action: <input type="checkbox"/> a. bid/offer/application b. initial award c. post-award	3. Report Type: <input type="checkbox"/> a. initial filing b. material change For Material Change Only: Year _____ Quarter _____ Date of Last Report: _____
4. Name and Address of Reporting Entity: <input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, <i>if known</i> Congressional District, <i>if known</i> : _____		5. If Reporting Entity in No.4 is Subawardee, Enter Name and Address of Prime: Congressional District, <i>if known</i> : _____
6. Federal Department/Agency: Federal Action Number, <i>if known</i> : _____		7. Federal Program Name/Description: CFDA Number, <i>If applicable</i>: _____ Award Amount, <i>if known</i> : \$ _____
10a. Name and Address of Lobbying Entity (last name, first name, MI): (attach continuation sheet(s) SF-LLL-A, <i>if necessary</i>)		b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI):
11. Amount of Payment (<i>check all that apply</i>): \$ _____ <input type="checkbox"/> Actual <input type="checkbox"/> Planned		13. Type of Payment (<i>check all that apply</i>): <input type="checkbox"/> a. retainer <input type="checkbox"/> b. one-time fee <input type="checkbox"/> c. commission <input type="checkbox"/> d. contingent fee <input type="checkbox"/> e. deferred <input type="checkbox"/> f. other, specify: _____
12. Form of Payment (<i>check all that apply</i>): <input type="checkbox"/> Cash <input type="checkbox"/> in kind, specify nature Value _____		
14. Brief description of Services Performed and Date(s) of Service, Including officer(s), employee(s), or Members(s) contacted, for Payment Indicated in Item 11: (attach Continuation Sheet(s) SF-LLL-A, <i>if necessary</i>)		
15. Continuation Sheet(s) SF-LLL-A attached: <input type="checkbox"/> Yes <input type="checkbox"/> No		

**BID FORM – DOCUMENT 10
CERTIFICATION REGARDING LOBBYING**

<p>16. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each failure.</p>	<p>Signature: _____ Print Name: _____ Title: _____ Telephone No.: _____</p>	
<p>Federal Use Only:</p>		<p>Authorized for Local Reproduction Standard Form - LLL</p>

**BID FORM – DOCUMENT 11
DISADVANTAGED BUSINESS ENTERPRISE CERTIFICATION**

Company Name

Street /Mailing Address

City/State/Zip Code

TAX I.D. _

1. PRIME CONTRACTOR

The Bidder/Proposer is a CalTrans certified DBE under the CalTrans Uniform Certification Program.

Certification No. _____ Expiration Date _____

The Bidder/Proposer has applied for DBE status through the CalTrans Uniform Certification Program.

Application Date _____ Status of application _____

The Bidder/Proposer is not a CalTrans certified DBE under the CalTrans Uniform Certification Program.

2. SUB-CONTRACTOR (if proposed in bid or proposal)

Attach a separate sheet for each sub-contractor to be used in the performance of services under a bid specifying the sub-contractor DBE status as stated under section I listed above.

If not already registered, sub-contractors should access the following web site: [http://www.dot.ca.gov/hq/bep/Roster of Certifying Agencies 09-16-03.doc](http://www.dot.ca.gov/hq/bep/Roster_of_Certifying_Agencies_09-16-03.doc) for a list of DBE certifying government agencies to contact for information on how to become a certified DBE business. A W-9, Request for Taxpayer Identification Number and Certification is required to complete the process.

Prime Contractor's are requested to explain the DBE program and encourage sub contractors to apply for certification.

Prime Signature

Date

(Position/Title)

**BID FORM – DOCUMENT 12
STATEMENT OF COMPLIANCE**

(Company Name)

(hereinafter referred to as “Prospective Contractor”) hereby certifies that during the performance of this contract, contractor and its subcontractors shall not unlawfully discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, disability, medical condition, marital status, age (over 40) or sex. Contractors and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination. Contractors and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et. seq.) and the applicable regulations promulgated thereunder (Cal. Admin. Code, Tit. 2, Section 7285.0 et. seq.) both of which are incorporated into this contract by reference and made a part hereof as if set forth in full. Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the contract.

I, _____
(Name of Official)

hereby swear that I am duly authorized to legally bind the Prospective Contractor to the above-described certification. I am fully aware that this certification, signed on

(Date)

in the County of _____, is made under the penalty of perjury
(County)

under the laws of the State of California.

(Signature)

(Print)

(Title)

**BID FORM – DOCUMENT 13
APPRENTICESHIP EMPLOYMENT CERTIFICATION**

APPRENTICESHIP

For each craft or trade utilized in performing the tasks required under this contract, each contractor or subcontractor performing work on this project shall employ apprentices on the project, in the ratios required by California statute, Section 1777.5 and 1777.6 of the Labor Code and the regulations of the California Apprenticeship Council, who are enrolled and participating in an apprenticeship program that has graduated apprentices annually for at least the past five (5) years. This requirement applies to any craft used on the project for which the State of California Department of Industrial Relations, Division of Apprenticeship Standards, has approved an apprenticeship program.

The graduation requirement for each of the preceding five (5) years shall not apply to any apprenticeship program not recognized or approved by the Department of Labor and/or Division of Apprenticeship Standards as an apprenticeable occupation for at least nine (9) years immediately prior to December 13, 2007 providing that the program has graduated apprentices each year following the fifth anniversary of its recognition or approval.

In the event that there is no state-approved apprenticeship program that meets requirements of this provision for a particular craft or trade utilized under this contract for the MetroBase Project, the Contractor shall be exempt from the requirement of this provision for that craft or trade only.

APPRENTICESHIP EMPLOYMENT CERTIFICATION

Under the laws of the State of California, the undersigned declares, under penalty of perjury, compliance with the apprentice programs described in the Special Conditions for the workforce employed by Contractor or any subcontractor under the contract for Specification for the MetroBase Project.

Contractor: _____
By: _____
Date: _____
Title: _____

BID FORM – DOCUMENT 14
WORKERS' COMPENSATION CERTIFICATION

I, as the Contractor for the MetroBase Project, am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this Contract, if I am selected as the Contractor.

Contractor: _____
By: _____
Date: _____
Title: _____

**BID FORM – DOCUMENT 15
CONFLICT OF INTEREST STATEMENT**

The Bidder certifies that:

1. The Bidder has not employed in connection with services to be performed by the Contract a current or former METRO employee who was directly or indirectly involved with this procurement;
2. The Bidder has not employed in connection with the services to be performed by the Contract a current or former employee of RNL who was directly or indirectly involved in the preparation of the specifications or this IFB;
3. The Bidder did not receive any confidential information in connection with the services to be performed by the Contract; and
4. The Bidder has not employed as a lobbyist any former METRO Board Member or employee who left the METRO within the last twelve (12) months.

The Bidder further certifies that it has set forth below the names of all current and former METRO persons identified including METRO Board Members, employees it has or intends to employ in connection with the services to be performed under the Contract.

Current and/or former METRO Board Members, alternatives, or employees:

_____	_____
_____	_____
_____	_____
_____	_____

I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct.

Executed on _____, 20____, at _____, _____
(Date) (City) (State)

_____	_____	_____
Typewritten or Printed Name	Signature of Authorized Official	Title

**BID FORM – DOCUMENT 15
CONFLICT OF INTEREST STATEMENT**

CONFLICT OF INTEREST CHECKLIST

All Bidders must respond to each of the following questions to determine whether any actual or perceived conflict of interest may exist. If any response has a “yes” answer, provide accurate and complete information for analysis.

1. Have you or any of your team member(s) or consultant(s) ever been employed by, or done work for, the METRO? Yes No

If your answer is “Yes”, please provide the additional information.

- | | | | |
|----------------------------|------------------------------|-----------------------------|----------------|
| • Full-time employee | Yes <input type="checkbox"/> | No <input type="checkbox"/> | Name(s): _____ |
| • Part-time employee | Yes <input type="checkbox"/> | No <input type="checkbox"/> | Name(s): _____ |
| • As-Needed employee | Yes <input type="checkbox"/> | No <input type="checkbox"/> | Name(s): _____ |
| • Consultant | Yes <input type="checkbox"/> | No <input type="checkbox"/> | Name(s): _____ |
| • Or other, please explain | Yes <input type="checkbox"/> | No <input type="checkbox"/> | Name(s): _____ |

-
- Dates of Employment/consulting contract:

-
- In which department(s) did you work?

-
- Who was your supervisor(s)/who did you supervise?

-
- Please describe your job duties and responsibilities or consulting work for each METRO position held:

-
- Last date of employment or consultant contract:

2. Are any METRO Board Member(s) or any of their staff presently serving as officers, partners, or shareholders in your company? Yes No

If the answer is “Yes”, please provide the additional information:

- Name(s) of Board Members:

-
- What is his/her position with your company?

-
- Percentage of ownership of company shares:

BID FORM – DOCUMENT 15
CONFLICT OF INTEREST STATEMENT

3. Are any of your former employee's or consultant's presently employed by the METRO? Yes No

If the answer is "Yes", please provide the additional information:

- Name(s) of each former employee:
-

- All titles of each former employee:
-

- Description of job duties:
-

- Dates of employment or date consultant worked for you:
-

4. In the preceding twelve months, has the Bidder/Proposer made, arranged or delivered any gift(s) to any METRO Board Member? Yes No

If the answer is "Yes", please provide the additional information:

- Name of Board Member receiving the gift:
-

- Value of the gift:
-

- Description of the gift:
-

- Date the gift was delivered:
-

5. In the preceding forty-eight (48) months, has your company made, arranged or delivered any campaign contributions to any METRO Board Member? Yes No

If the answer is "Yes", please provide the additional information:

- Name of Board Member receiving the contribution:
-

- Name of Board Member receiving contribution:
-

- Amount of the contribution:

**BID FORM – DOCUMENT 15
CONFLICT OF INTEREST STATEMENT**

-
- Description of form of contribution (i.e. cash, check):

-
- Date the contribution was delivered:

-
- To whom was the contribution delivered:
-

I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct.

Executed on _____, 20__, at _____, _____
(Date) (City) (State)

Typewritten or Printed Name

Signature of Authorized Official

Title

PART III
GENERAL CONDITIONS TO THE CONTRACT

I. 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.

1.02 Right to Modify Contract

METRO 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 METRO upon fifteen (15) days' written notice at any time without cause for any reason in whole or in part, whenever the METRO determines that such termination is in the METRO's best interest.

2.01.02 Upon receipt of a notice of termination, and except as otherwise directed by the METRO, 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 METRO in the manner, at the time, and to the extent directed by the METRO all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case the METRO 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 METRO, to the extent the METRO may require, which approval or ratification shall be final for all the purposes of this clause; (6) transfer title to the METRO and deliver in the manner, at the time, and to the extent, if any, directed by METRO 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 METRO; (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 METRO, 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 METRO, 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 METRO 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 METRO 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 METRO 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 METRO has or may acquire an interest.

2.02 Termination for Default

- 2.02.01 If the Contractor should be in default and fails to remedy this default within ten (10) calendar days after receipt from METRO of such notice of default, METRO may terminate the contract, or such portion thereof, as METRO determines is most directly affected by the default. The term "default" for purposes of this provision includes, but is not limited to, the performance of work in violation of the terms of this contract; abandonment, assignment, or subletting of this contract without approval of METRO; bankruptcy or appointment of a receiver for Contractor's property/business; failure of Contractor to perform the services or other required acts within the time specified for this contract or any extension thereof; refusal or failure to provide proper workmanship; failure 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 METRO may procure, upon such terms and in such manner as the METRO may deem appropriate, supplies or services similar to those so terminated. Without limitation to any other remedy available to the METRO, the Contractor shall be liable to the METRO 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 default, 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 METRO shall be considered to have been terminated pursuant to termination for convenience of the METRO pursuant to Article 2.01 from the date of Notification of Default.

2.03 No Limitation

The rights and remedies of the METRO 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 METRO 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 METRO 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 METRO to evaluate any Contractor request for relief under this Article 3. METRO shall examine Contractor's notification and determine if the Contractor is entitled to relief. The METRO shall notify the Contractor of its decision in writing. The METRO'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 METRO 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. Contractor shall insure that each subcontractor working on the Project also has the requisite skill, experience, financial ability, overall expertise, resources and appropriate licenses as necessary so as to be able to perform the work required by the 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. METRO shall neither have nor exercise control or direction over the methods and means of all portions of the Work performed by Contractor (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 METRO is to ensure that such services are performed and rendered in a competent and cost effective manner. The Contractor shall be responsible for the professional quality, technical accuracy, completeness, and coordination of the Work, it being understood that the METRO will be relying upon such professional quality, accuracy, completeness, and coordination in the performance of the Work by Contractor.

5.02 Benefits

Contractor (including, without limitation, its officers, shareholders, subcontractors and employees) has no claim under this Contract or otherwise against the METRO 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 METRO (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 METRO 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/or 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 METRO and any insurance or self-insurance maintained by METRO 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 (in accordance with California Labor Code §3700) 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 \$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.
 - (b) Full Personal Injury coverage.
 - (c) Broad form Property Damage coverage.
 - (d) A cross-liability clause in favor of the METRO.
- (4) Contractor shall comply with all requirements related to the provision of Unemployment Insurance.

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 METRO.
- (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 METRO 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 METRO shall have been given written notice of such cancellation or reduction."
- (5) Contractor shall notify METRO 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 METRO at or before the effective date of this Contract with a certificate of insurance of the coverage required.

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

- 10.01 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 METRO 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.

11. 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.

11.02 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 METRO Liability

The METRO's liability is, in the aggregate, limited to the total amount payable under this Contract.

13.04 Drug and Alcohol Policy

Contractor shall comply with Federal Transit Administration's (FTA) drug and alcohol testing regulations, 49 CFR Parts 653 and 654. Contractor shall not use, possess, manufacture, or distribute alcohol or illegal drugs during the performance of the Contract, while on METRO premises or distribute same to METRO employees.

13.05 Publicity

Contractor agrees to submit to METRO all advertising, sales promotion, and other public matter relating to any service furnished by Contractor wherein the METRO's name is mentioned or language used from which the connection of METRO'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 METRO.

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 the Americans with Disabilities Act and 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 METRO property, (2) ensure that its employees take appropriate protective measures, and (3) provide the METRO's Manager of Facility Maintenance with a Material Safety Data Sheet (MSDS) for all hazardous substances to be used on METRO 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 METRO 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 METRO; and any such action by Contractor without METRO's previous written consent shall be void.

13.12 No Subcontract

Contractor shall not 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 METRO. Any such action by Contractor without METRO'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 METRO 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, subcontractors and agents shall not smoke on METRO premises, while performing the work required, or in a METRO vehicle.

13.17 Responsibility for Equipment

13.17.01 METRO 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 METRO.

13.17.02 Contractor is responsible to return to the METRO in good condition any equipment, including keys, issued to it by the METRO pursuant to this Agreement. If the contractor fails or refuses to return METRO-issued equipment within five days of the conclusion of the contract work the METRO 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 METRO.

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 METRO 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

Time is of the essence in this Contract.

13.20 Unfair Business Practice Claims

In entering into this contract, the contractor offers and agrees to assign to METRO all rights, title and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. §15 et seq.) or under the Cartwright Act (Business and professions Code §16700 et seq.) arising from the purchase of goods, services, or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time METRO tenders final payment to the contractor without further acknowledgement by the parties.

13.21 Nondiscrimination

During the performance of this contract, Contractor and subcontractors shall not unlawfully discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical disability, medical condition, marital status, pregnancy, age (over 18), sex, sexual orientation, veteran's status or any other non-merit factor. Contractors and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination. Contractors and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code Section 12900 et seq.) and the applicable regulations promulgated hereunder (Cal. Admin. Code, Title 2, Section 7285.0 et seq.). the applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990, set forth in Chapter 5 of Division 4 of Title 2 of the California Administrative Code are incorporated into this contract by reference and are made a part hereof as if set forth in full. Contractors and subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

Contractor shall include the nondiscrimination and compliance provisions of this section in all subcontracts to perform work under the Contract.

PART IV
SPECIAL CONDITIONS OF THE CONTRACT

1. BASIC SCOPE OF WORK

1.01 Basic Scope of Work

Contractor shall, without limitation, construct Parking Lot Paving/Grade-Blending and Relate Site Work at 1200 River Street, Santa Cruz in accordance with the "Specifications" section of the Invitation for Bids, dated November 8, 2007.

2. DEFINITIONS

2.01 General

The terms (or pronouns in place of them) have the following meaning in the Contract.

2.01.01 ACCEPTANCE DATE - The date on which Parking Lot Paving/Grade-Blending and Relate Site Work is deemed to be complete in accordance with the provisions of the Contract and accepted in writing by the METRO.

2.01.02 CONTRACT - The Contract consists of this document, the attachments incorporated herein in accordance with Article 2 of Part VI - "Contract for ITEM," and any written amendments made in accordance with Article 13.14 of Part IV - "General Conditions of the Contract".

2.01.03 CONTRACTOR – The entity entering into a contract/agreement and synonymous with Bidder.

2.01.04 DAYS - Calendar Days unless specifically noted otherwise

2.01.05 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.

2.01.06 SCOPE OF WORK (OR "WORK") - The entire obligation under the Contract, including, without limitation, all labor, equipment, materials, supplies, transportation, services, supervision, freight and other work products and expenses, express or implied, in the Contract.

3. LIQUIDATED DAMAGES

The contractor agrees to complete all of its work required in the Contract Documents, or any subsequent revisions or modifications thereto, within the time specified in the bid form, subject to Change Orders increasing or decreasing the time specified. It is agreed by the parties to this Contract that time is of the essence to the performance of this Contract by Contractor, and that in case the work called for under the Contract is not completed in all respects and requirements within the time called for in the Contract Documents, plus any agreed upon extensions of time, damages will be sustained by the METRO. If Contractor is delayed by certain specified causes that are beyond Contractor's control (e.g., weather, strikes, natural disasters) then the resulting delay is excused and liquidated damages will not be assessed. Contractor further agrees that it is and will be impracticable to determine the actual amount of damage by reason of such delay; and the Contractor agrees that the sum set forth within these Contract Documents is a reasonable amount to be charged as liquidated damages; and it is therefore agreed that the Contractor will pay to the METRO the sum of \$1,000 for Liquidated Damages for each consecutive calendar day's delay beyond the time prescribed in the Contract for completion as set forth below for each project sequence identified herein that is not completed as scheduled; and Contractor further agrees that the METRO may deduct and retain the amount thereof from any monies due the Contractor under the Contract:

The Contractor is put on notice that funding for this project is time sensitive with regard to the completion date. Delays shall be made up for by overtime work to maintain the scheduling. Any additional costs for overtime work to maintain the scheduled completion date shall be borne by the Contractor.

The Work shall be regarded as completed upon the date the METRO has accepted the same in writing.

4. STATE CONTRACT PROVISIONS

- 4.01 In the performance of work under these provisions, Contractor and its subcontractors will not discriminate against any of its employees or applicants for employment because of race, religious creed, medical condition, color, marital status, ancestry, sex, age, national origin, or physical handicap (Government Code Section 12940 et seq.). Contractor and all its subcontractors will take affirmative action to ensure that its applicants are employed, and that employees are treated during employment, without regard to their race, religious creed, medical condition, color, marital status, ancestry, sex, age, national origin, or physical handicap. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Contractor and its subcontractors shall post in conspicuous places, available to employees and applicants for employment, notice to be provided by the State of California setting forth the provisions of this section. Contractor must include this language in each of its subcontracts.
- 4.02 Contractor and its subcontractors will permit access to all records of employment, employment advertisements, application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by STATE, for the purpose of investigation to ascertain compliance with Section 1 of this Article.
- 4.03 Contractor shall establish and maintain an accounting system and records that properly accumulate and segregate incurred costs by line item for the project. Contractor's accounting system shall conform to generally accepted accounting principles (GAAP), enable to determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices. All accounting records and other supporting papers of Contractor connected with performance under this Agreement shall be maintained for a minimum of three years from the date of final payment to METRO under these provisions and shall be held open to inspection and audit by representatives of STATE and the Auditor General of the State and copies thereof will be furnished upon request.
- 4.04 Contractor agrees that contract cost principles at least as restrictive as 48 CFR, Federal Acquisition Regulation System, Chapter 1 Part 31, shall be used to determine the allowability of individual items of costs. Contractor also agrees to comply with Federal procedures as set forth in 49 CFR, Part 18, Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments.
- 4.05 For the purpose of determining compliance with Public Contract Code Section 10115, et seq., Military and Veterans Code Sections 999 et seq. and Title 2, California Code of Regulations, Section 1896.60 et seq., when applicable, and other matters connected with the performance of METRO's contracts with third parties pursuant to Government code Section 10532, Contractors and subcontractors shall maintain all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including but not limited to, the costs of administering the various contracts. Contractor and its subcontractors shall make such materials available at their respective offices at all reasonable times during the contract period and for three years from the date of final payment under such contract. STATE, the State Auditor General, the Federal Highway Administration, or any duly authorized representative of the Federal Government shall have access to any books, records and documents that are pertinent to the Agreement for audits, examinations, excerpts, and transactions and copies thereof shall be furnished if requested.
- 4.06 Contractor must maintain certified payroll records in compliance with Labor Code §1776. At a minimum, the certified payroll records must show the name, address, social security number, work classification, straight time and overtime hours worked each day and week and the actual per diem wages paid to each worker. The Contractor and each of Contractor's subcontractors must certify the accuracy of the records and must make the records available for inspection at all reasonable hours. The public may inspect the records but only after the worker's name, address and social security number are removed.

5. RESERVED

6. NOTICE TO PROCEED

As soon as practicable after execution of the contract, and after receipt of acceptable insurance certificates and the payment and performance bonds by METRO, a written Notice to Proceed will be mailed to the Contractor. The effective date of the Notice to Proceed will be the date stated as such in the Notice, provided that the effective date will not be earlier than 10 days following the issuance of the Notice to Proceed.

7. DIFFERING SITE CONDITIONS

The contractor shall promptly, and before such conditions are disturbed, notify METRO in writing of: (1) material the contractor believes may be hazardous waste as defined in California Health and Safety Code Section 25117, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law; (2) subsurface or latent physical conditions at the site differing materially from those indicated in this contract; or (3) unknown physical conditions at the site, of an unusual nature, differing materially from those ordinarily encountered and generally recognized as inherent in work of the character provided in this contract.

METRO will promptly investigate the condition and if it finds that the conditions do materially so differ, or do involve regulated material, and cause a decrease or increase in the Contractor's cost of, or the time required for, performance of any part of the work, METRO will issue a change order under the procedures described in this Contract. For regulated materials, METRO reserves the right to use other forces for exploratory work to identify and determine the extent of such material and for removing regulated material from such areas.

In the event that a dispute arises between METRO and the Contractor on whether the conditions materially differ or on the Contractor's cost of, or time required for, performance of any part of the work, the Contractor shall not be excused from any scheduled completion date provided for by this Contract but shall proceed with all work to be performed under the Contract. The Contractor shall retain any and all rights provided either by this Contract or by law, which pertain to the resolution of disputes and protests between the contracting parties.

8. PERMITS AND LICENSES

- 8.01 To the extent permit and licensing requirements are applicable, the contractor shall procure all permits and licenses not procured by METRO and required by the project, pay all charges and fees, and give all notices necessary and incident to the due and lawful prosecution of the work. As a matter of bidder responsibility, bidders shall be properly licensed in accordance with the laws of the State of California at the time of contract execution.
- 8.02 Attention is directed to the provisions of Chapter 9 of Division 3 of the California Business and Professions Code concerning the licensing of contractors. Contractors are required by law to be licensed and regulated by the Contractors' State License Board. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, 1020 N Street, Sacramento, California 95814. (Business and Professions Code Section 7030). Any bidder or contractor not licensed in accordance with the laws of the State of California is subject to the penalties imposed by such laws.
- 8.03 Approvals and certificates of inspection for the work shall be submitted to METRO at the completion of the project, prior to final payment.

9. CODES, REGULATIONS AND LAWS

- 9.01 All work performed under these Specifications shall be in strict accordance with all Federal, State, and Local codes, ordinances, rules, and regulations of all public administrative authorities having jurisdiction over this work.
- 9.02 The bidder shall inform METRO of all discrepancies that are observed between these codes, laws, ordinances, and regulations, and the specifications and drawings pertaining to this work, in writing, prior to bid. The bidder shall include in his bid price, any labor, materials, service, apparatus, and drawings necessary to be performed in order to comply with all these codes, laws, ordinances, and regulations as if therein specified or shown.
- 9.03 All materials and supplies furnished pursuant to the specifications shall be in compliance with all

federal and state laws and applicable local regulations and ordinances. Contractor shall, if requested by METRO, provide certification and evidence of such compliance.

10. INTERFERENCE WITH BUSINESS OPERATIONS

Contractor shall not interfere with normal operation of METRO's facilities or equipment or the work of any other contractors. When the contractor anticipates unavoidable interference, it shall notify METRO in advance. METRO will determine whether such interference is unavoidable and will, if required, establish the necessary procedures under which the interference will be allowed. METRO shall have final determination of the priorities in case of conflicts with operations of others. Contractor shall not operate any of METRO's equipment or systems or those of any other contractor or subcontractor except at the direction and under the immediate supervision of METRO.

11. USE OF PREMISES

- 11.01 Work shall be scheduled in such a manner as to minimize disruption of on-going work and activities of METRO's employees and contractors. The Contractor is responsible for safety and security precautions during the project to minimize risk of injury or theft.
- 11.02 Work to be completed during regular working hours Monday through Friday from 7 a.m. to 5 p.m. The Project Manager must authorize work after-hours or on weekends. Contractor to comply with the City of Santa Cruz noise ordinance.
- 11.03 The Contractor shall not allow debris or waste materials to accumulate; regular periodic removals shall be made to keep premises and buildings in orderly appearance during the performance of work.
- 11.04 Contractor, after completion of the work and prior to final inspection and acceptance by METRO, shall thoroughly clean all work areas from dirt, stains, soiling, or defacement of any kind.
- 11.05 METRO shall designate specific areas and times for delivery and unloading of construction materials and equipment. The Contractor shall not park vehicles or equipment, or unload materials, at any area other than designated areas without the prior approval of METRO.

12. SAFETY OF PERSONNEL ON THE JOB SITE

- 12.01 The Contractor shall provide, erect, and maintain all such temporary work as may be required for the protection of the public and those employed on or about the property, including temporary fences, sidewalks, trench plates, guard rails around openings, barricades, and temporary lighting.
- 12.02 METRO must receive a written incident report for any serious accidents or unsafe conditions that exist for the project.
- 12.03 The Contractor is responsible for its employee safety and training requirements mandated by Cal-OSHA including but not limited to the following; Lock out-Tag out, Right to Know (M.S.D.S.), Hazard Communication Plan, Personal Protective Equipment (P.P.E), Confined Spaces, and shoring of open trenches.

13. DEMOLITION

- 13.01 The contractor is responsible for demolition, removal, and proper disposal of existing materials. After the project is complete all construction debris shall be removed from the site. The waste disposal shall be in compliance with the Waste Reduction and Recycling Plan (WRRP) of City of Santa Cruz and the County of Santa Cruz. Contractor is also responsible for completing and submitting the Construction and Demolition Debris Recycling Report to the appropriate building inspector. To view this plan go to: <http://www.ci.santa-cruz.ca.us/pw/operationsrr.html>
- 13.02 Contractor shall be solely responsible for all safety, dust and noise control for work completed under this heading.

14. CONTRACTOR PERSONNEL

The Contractor shall designate, in writing before starting work, a qualified, responsive, and responsible Project Superintendent who shall have complete authority to represent and act for the Contractor. Said authorized representative of the Contractor shall normally be present at the site of the work at all times while work is actually in progress on the Contract to coordinate all construction activities with the key persons in charge of METRO's facilities to ensure as few interruptions as possible. This contractor's Project Superintendent must have experience in construction of this type and other similar projects.

During any period when work is suspended, arrangements acceptable to the District shall be made for any emergency work that may be required.

Whenever the Contractor or an authorized representative is not present on any part of the work where it may be desired to give direction, orders will be given by the District, which shall be received and obeyed by the superintendent who may have charge of the particular work in reference to which the orders are given. Any order given by the District, not otherwise required by the Specifications to be in writing, will, on request of the Contractor, be given or confirmed by the District in writing.

The Contractor shall designate, in writing, the names and telephone numbers of at least three representatives who could be contacted at any time in the event that an emergency occurs.

Any subcontractor, or person employed by the Contractor or subcontractor, who fails or refuses to carry out the directions of the Engineer, or appears to the Engineer to be incompetent or to act in a disorderly or improper manner, shall be removed from the work immediately on the written request of the Engineer, and such person shall not again be employed on the work.

15. FILING OF PLANS

Contractor shall be responsible for filing all necessary drawings and plans with other Government and private authorities with jurisdiction, such as utility companies, if their approval is required and/or as otherwise directed by METRO.

16. RESOLUTION OF CLAIMS

16.01 Claims Exceeding \$375,000

16.01.01 In case any disagreement, difference, or controversy shall arise between the parties, with respect to any matter in relation to or arising out of or under this Contract or the respective rights and liabilities of the parties, and the parties to the controversy cannot mutually agree thereon, and if the value exceeds \$375,000 then such disagreement, difference, or controversy shall be determined by binding arbitration, according to the provisions of Section 1282, et seq. of the California Code of Civil Procedure except CCP §1283.05(e). Any arbitrator appointed or selected shall be experienced in construction law.

16.01.02 Any award made by the Arbitrator(s) shall be final, binding, and conclusive upon all parties and those claiming under them. The costs and expenses of any Arbitration shall be borne and paid, as the Arbitrator(s) shall, by their award, direct.

16.01.03 The submission to Arbitration is hereby made a condition precedent to the institution of any action at law or in equity with respect to disputes arising under the contract; and such action at law or in equity shall be restricted solely to the subject matter of the challenge of such award on the grounds and in the manner permitted by law.

16.02 Claims up to \$375,000

Claims up to \$375,000 are subject to the provisions of Public Contract Code Sections 20104-20104.6. For claims subject to these statutory provisions, the following procedures apply:

16.02.01 Claims under \$50,000

For claims of fifty thousand dollars (\$50,000) or less, METRO shall respond in writing to any written claim within forty-five (45) days of receipt of the claim, or may request, in writing, within thirty (30) days of receipt of the claim, any additional documentation supporting the claim or relating to defenses or claims METRO may have against the contractor.

16.02.02 If additional information is thereafter required, it shall be requested and provided pursuant to this provision, upon mutual agreement of METRO and the contractor.

16.02.03 METRO's written response to the claim, as further documented, shall be submitted to the contractor within fifteen (15) days after receipt of the further documentation or within a period of time no greater than that taken by the contractor in producing the additional information, whichever is greater.

16.03 Claims over \$50,000

16.03.01 For claims over fifty thousand dollars (\$50,000) and less than or equal to three hundred seventy-five thousand dollars (\$375,000), METRO shall respond in writing to all written claims within sixty (60) days of receipt of the claim, or may request, in writing, within thirty (30) days of receipt of the claim, any additional documentation supporting the claim or relating to defenses or claims METRO may have against the Contractor.

16.03.02 If additional information is thereafter required, it shall be requested and provided pursuant to this provision, upon mutual agreement of METRO and the Contractor.

16.03.03 METRO's written response to the claim, as further documented, shall be submitted to the Contractor within thirty (30) days after receipt of the further documentation, or within a period of time no greater than that taken by the Contractor in producing the additional information or requested documentation, whichever is greater.

16.03.04 If the Contractor disputes METRO's written response, or METRO fails to respond within the time prescribed, the Contractor may so notify METRO, in writing, either within fifteen (15) days of receipt of METRO's response or within fifteen (15) days of METRO's failure to respond within the time prescribed, respectively, and demand an informal conference to meet and confer for settlement of the issues in dispute. Upon a demand, METRO shall schedule a meet and confer conference within thirty (30) days for settlement of the dispute.

16.03.05 Following the meet and confer conference, if the claim or any portion remains in dispute, the Contractor may file a claim pursuant to Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code. For purposes of those provisions, the running of the period of time within which a claim must be filed shall be tolled from the time the Contractor submits their written claim until the time the claim is denied as a result of the meet and confer process, including any period of time utilized by the meet and confer process.

16.04 This section does not apply to tort claims nor shall it be construed to change the time periods for filing tort claims under the California Government Code.

16.05 Public Contract Code Section 20104.4, which is incorporated herein as if fully set forth, establishes procedures for civil actions filed to resolve claims subject to this section and are mandatory for all claims up to \$375,000.00. These procedures include mandatory submission of the matter to non-binding mediation followed, if necessary, by mandatory submission to judicial arbitration.

16.06 Continuance of Work

Disagreement by the Contractor with METRO's determination of the need for, or amount of, an adjustment in the contract price or contract time associated with an approved

Contract Change Order (or disagreement with METRO's determination that a change has not occurred and no Contract Change Order is needed), or the pendency of a dispute over a condition or term of the contract shall not relieve the Contractor from its obligation to promptly begin and diligently prosecute the work, including the change as described in the approved Contract Change Order, unless a cessation of work is ordered by METRO.

17. RESERVED

18. PRESERVATION AND CLEANING

The contractor shall clean up the work area at frequent intervals and at other times when directed by METRO. Before final inspection of the work, the contractor shall clean the project site, and surrounding areas impacted by the work. All parts of the work area shall be left in a neat and presentable condition. Final cleaning shall include washing, dusting and sweeping, as needed. Final cleanup will be considered as included in the contract price.

19. COMPLETION OF WORK

When the contractor considers the work to be complete, the contractor shall notify METRO in writing and request that METRO issues a Certificate of Completion. METRO shall make an inspection to determine if the work is complete in accordance with the contract documents. If METRO does not consider the work complete, METRO shall notify the contractor in writing stating the reasons thereof. METRO shall convene a meeting to discuss the findings and the parties shall reach a mutual agreement on the resolution of the outstanding issues and a time frame in which corrective action will be taken to complete the work.

20. FAILURE TO MEET CONTRACT REQUIREMENTS

When the contractor fails to meet requirements of the contract, the product or service may be bought from any source by METRO; and, if a greater price than that named in the contract is paid by METRO, the excess price will be charged and collected from the contractor or sureties on its bond.

21. RISK OF LOSS OR DAMAGE

All loss or damage arising from any unforeseen obstruction or difficulty, either natural or artificial, which may be encountered in the prosecution of the work, or the furnishing of supplies, material, or equipment, or from any action of the elements prior to the delivery of the work, supplies, materials or equipment, or from any act or omission not authorized by under the contract, shall be sustained by the contractor.

22. FINAL APPROVAL

22.01 Upon written notification by the Contractor that his work is completed and ready for acceptance, inspections and tests shall be performed by the Contractor as directed by, and in the presence of METRO's Representative.

22.02 Contractor shall furnish METRO with certificates of approval and any manufacturer warranties with the application for final payment.

22.03 All pre-final and final punch list items must be completed.

22.04 The following performance evaluation shall be performed by METRO:

22.04.01 Verification of materials to be used.

22.04.02 Verification of proper construction procedures.

22.04.03 Verify proper construction.

22.04.04 Copies of all Lien Releases or Waivers from all Sub-Contractors.

23. WARRANTY

Workmanship of Contractor and/or Sub-Contractors shall be warranted free of defects in materials and workmanship for one (1) year from the date of final acceptance by METRO.

24. SHIPPING CHARGES

All prices shall include freight FOB to the designated delivery point. METRO will reject requests for additional compensation for freight charges unless it has requested expedited delivery.

25. TAXES

The supplies, materials, or equipment called for under the specifications will be used by METRO in the performance of a governmental function and are exempt from taxation by the United States Government. METRO will, if requested, furnish a tax exemption certificate, and any and all affidavits and documents that may be necessary to establish such exemption.

PART V

CONTRACT FOR PARKING LOT PAVING/GRADE-BLENDING PROJECT AND RELATED SITE WORK No. 08-14

THIS CONTRACT is made effective on _____, 2007 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("METRO"), and _____ ("Contractor").

1. RECITALS

1.01 METRO's Primary Objective

METRO 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 METRO's Need for Parking Lot Paving/Grade-Blending and Related Site Work

METRO requires Parking Lot Paving/Grade-Blending and Related Site Work. In order to obtain said Parking Lot Paving/Grade-Blending and Related Site Work, the METRO issued an Invitation for Bids, dated November 8, 2007 setting forth specifications for such Parking Lot Paving/Grade-Blending and Related Site Work. The Invitation for Bids is attached hereto and incorporated herein by reference as Exhibit A.

1.03 Contractor's Bid Form

Contractor is a licensed general contractor desired by the METRO and whose principal place of business is _____. Pursuant to the Invitation for Bids by the METRO, Contractor submitted a bid for Provision of said Parking Lot Paving/Grade-Blending and Related Site Work, which is attached hereto and incorporated herein by reference as Exhibit B.

1.04 Selection of Contractor and Intent of Contract

On _____, METRO selected Contractor as the lowest responsive, responsible bidder to provide said Parking Lot Paving/Grade-Blending and Related Site Work. The purpose of this Contract is to set forth the provisions of this procurement.

1.05 Contractor and Supplier Synonymous

For the purposes of this Contract, the terms "contractor" and "supplier" are synonymous.

METRO 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 Part III, Section 13.14 of the General Conditions of the Contract.

a) Exhibit A

Santa Cruz Metropolitan Transit District's "Invitation for Bids No. 08-14" dated November 8, 2007.

b) Exhibit B (Bid Form)

Contractor's Submitted Bid to METRO for Parking Lot Paving/Grade-Blending and Relate Site Work as signed by Contractor.

2.02 Conflicts

Refer to PART I, Item 1.03, item B.

2.03 Recitals

The Recitals set forth in Article 1 are part of this Contract.

3. TIME OF PERFORMANCE

3.01 General

The work under this Contract shall be completed ~~fourteen (14)~~ **fourteen (14)** calendar days after the date of commencement specified in the Notice to Proceed, unless modified by the parties under Part III, section 13.14 of the General Conditions, Instructions and Information for Bidders of this Contract or terminated pursuant to Part III, section 2.

3.02 Term

The term of this Contract commences on the date of execution and shall remain in force for 30 calendar days after the date of commencement specified in the Notice to Proceed. METRO and Contractor may extend the term of this Contract at any time for any reason upon mutual written consent.

3.03 Acceptance of Terms

Execution of this documents shall be deemed as acceptance of all of the terms and conditions as set forth herein and those contained in the Notice and Invitation to Bidders, the General Conditions, the Special Conditions, the FTA Requirements for Construction Contracts, the Specifications and all attachments and addenda, which are incorporated herein by reference as integral parts of this Contract

4. SCOPE OF WORK

4.01

Contractor shall furnish METRO all supervision, labor, equipment, supplies, material, freight, transportation, tools and other work and services as specified in and in full accordance with the Invitation for Bid (IFB) No. 08-14 dated November 8, 2007 for Parking Lot Paving/Grade-Blending and Relate Site Work. The Contractor shall provide a complete project in conformance with the intent shown on the drawings and specified herein and as provided for and set forth in the IFB.

4.02

Contractor and METRO agree to comply with and fulfill all obligations, promises, covenants and conditions imposed upon each of them in the Contract Documents. All of said work done under this Contract shall be performed to the satisfaction of METRO or its representative, who shall have the right to reject any and all materials and supplies furnished by Contractor which do not strictly comply with the requirements contained herein, together with the right to require Contractor to replace any and all work furnished by Contractor which shall not either in workmanship or material be in strict accordance with the contract documents.

5. COMPENSATION

5.01 Terms of Payment

Upon written acceptance, METRO agrees to pay Contractor _____ as identified in the

Bid Form, Exhibit B, not to exceed \$ _____, for satisfactory completion of all work, including all costs for labor, materials, tools, equipment, services, freight, insurance, overhead, profit and all other costs incidental to the performance of the services specified under this contract, under the terms and provisions of this Contract within forty-five (45) days thereof. 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 Release of Claims

Payment by METRO of undisputed contract amounts is contingent upon the Contractor furnishing METRO with a Release of All Claims against METRO arising by virtue of the part of the contract related to those amounts.

5.03 Retention of progress payments

METRO will retain ten (10%) percent of the contract price from each progress payment made pursuant to the construction contract through the completion of the contract. The retention shall be released, with the exception of 150 percent (150%) of any disputed amount within 60 days after the date of completion of the work. Pursuant to Section 22300 of the Public Contract Code, the Contractor may substitute a deposit of securities in lieu of METRO withholding any monies to ensure Contractor's performance under the Contract, or alternatively, request that METRO make payment of retentions earned directly to an escrow agent at the expense of Contractor. The provisions of Public Contract Code Section 22300 are incorporated herein by reference as though set forth in full, and shall govern the substitution of securities and/or escrow account. If a Stop Notice is filed METRO will retain 125% of the amount set forth in the Stop Notice from the next progress payment made to Contractor.

5.04 Change in Contract Price

5.04.01. General

- A. The Contract price constitutes the total compensation payable to the Contractor for performing the work. All duties, responsibilities, and obligations assigned to or undertaken by the Contractor to perform the work shall be at the Contractor's expense without change in the Contract price.
- B. The Contract price may only be changed by a change order. Any request for an increase in the Contract price shall be based on written notice delivered by the Contractor to the District promptly, but in no event later than 10 days after the date of the occurrence of the event giving rise to the request and stating the general nature of the request. Notice of the amount of the request with supporting data shall be delivered within 45 days after the date of the occurrence, unless the District allows an additional period of time to ascertain more accurate data in support of the request, and shall be accompanied by the Contractor's written statement that the amount requested covers all amounts (direct, indirect, and consequential) to which the Contractor is entitled as a result of the occurrence of the event. No request for an adjustment in the Contract price will be valid if not submitted in accordance with this Article.
- C. The value of any work covered by a change order or of any request for an increase or decrease in the Contract price shall be determined in one of the following ways:
 1. Where the work involved is covered by unit prices contained in the Contract documents, by application of unit prices to the quantities of the items involved; or
 2. By mutual acceptance of a lump sum, which may include an allowance for overhead and profit not necessarily in accordance with Article 5.04.04; or
 3. On the basis of the cost of work (determined as provided in Articles 5.04.02. and 5.04.03.) plus a Contractor's fee for overhead and profit (determined as provided in Article 5.04.04.)

5.04.02 Cost of Work (Based on Time and Materials)

- A. General: The term "cost of work" means the sum of all costs necessarily incurred and paid by the Contractor for labor, materials, and equipment in the proper performance of work. Except

as otherwise may be agreed to in writing by METRO, such costs shall be in amounts no higher than those prevailing in the locality of the project.

- B. Labor: The cost of labor used in performing work by the Contractor, a subcontractor, or other forces, will be the sum of the following:
1. The actual wages paid plus any employer payments to or on behalf of workers for fringe benefits, including health and welfare, pension, vacation, and similar purposes. The cost of labor may include the wages paid to foremen when it is determined by the District that the services of foremen do not constitute a part of the overhead allowance.
 2. There will be added to the actual wages as defined above, a percentage set forth in the latest "Labor Surcharge and Equipment Rental Rates" in use by the California State Department of Transportation which is in effect on the date upon which the work is accomplished. This percentage shall constitute full compensation for all payments imposed by State and Federal laws including, but not limited to, workers' compensation insurance and Social Security payments.
 3. The amount paid for subsistence and travel required by collective bargaining agreements.
 4. For equipment operators, payment for the actual cost of labor and subsistence or travel allowance will be made at the rates paid by the Contractor to other workers operating similar equipment already on the work, or in the absence of such labor, established by collective bargaining agreements for the type of workers and location of the extra work, whether or not the operator is actually covered by such an agreement. A labor surcharge will be added to the cost of labor described herein in accordance with the provisions of subsection 2 of Article 5.04.02.B herein, which surcharge shall constitute full compensation for payments imposed by State and Federal laws, and all other payments made to on behalf of workers other than actual wages.
- C. Materials: The cost of materials used in performing work will be the cost to the purchaser, whether Contractor or subcontractor, from the supplier thereof, except as the following are applicable:
1. Trade discounts available to the purchaser shall be credited to METRO notwithstanding the fact that such discounts may not have been taken by the Contractor.
 2. For materials secured by other than a direct purchase and direct billing to the purchaser, the cost shall be deemed to be the price paid to the actual supplier as determined by the District. Markup, except for actual costs incurred in the handling of such materials, will not be allowed.
 3. Payment for materials from sources owned wholly or in part by the purchaser shall not exceed the price paid by the purchaser for similar materials from said sources on extra work items or the current wholesale price for such materials delivered to the work site, whichever price is lower.
 4. If, in the opinion of the District, the cost of material is excessive, or the Contractor does not furnish satisfactory evidence of the cost of such material, then the cost shall be deemed to be the lowest current wholesale price for the quantity concerned delivered to the work site, less trade discount. METRO reserves the right to furnish materials for the extra work and no claim shall be made by the Contractor for costs and profit on such materials.
- D. Equipment: The Contractor will be paid for the use of equipment at the rental rate listed for such equipment specified in the current edition of the Department of Transportation publication entitled, "Labor Surcharge and Equipment Rental Rates," which is in effect on the date upon which the work is accomplished. Such rental rates will be used to compute payments for equipment whether the equipment is under the Contractor's control through direct ownership, leasing, renting, or another method of acquisition. The rental rate to be applied for use of each item of equipment shall be the rate resulting in the least total cost to

METRO for the total period of use. If it is deemed necessary by the Contractor to use equipment not listed in the foregoing publication, the District will establish an equitable rental rate for the equipment. The Contractor may furnish cost data that might assist the District in the establishment of the rental rate.

1. The rental rates paid, as above provided, shall include the cost of fuel, oil, lubrication supplies, small tools, necessary attachments, repairs and maintenance of all kinds, depreciation, storage, insurance, and all incidentals. Operators of equipment will be separately paid for as provided in subsection 4 of Article 5.04.02.B.
 2. All equipment shall be in good working condition and suitable for the purpose for which the equipment is to be used.
 3. Before construction equipment is used on the extra work, the Contractor shall plainly stencil or stamp an identifying number thereon at a conspicuous location, and shall furnish to the District, in duplicate, a description of the equipment and its identifying number.
 4. Unless otherwise specified, manufacturer's ratings and manufacturer-approved modifications shall be used to classify equipment for the determination of applicable rental rates. Equipment, which has no direct power unit, shall be powered by a unit of at least the minimum rating recommended by the manufacturer.
 5. Individual pieces of equipment or tools having a replacement value of \$500 or less, whether or not consumed by use, shall be considered to be small tools and no payment will be made therefore.
- E. Owner-Operated Equipment: When owner-operated equipment is used to perform work and is to be paid for as extra work, the Contractor will be paid for the equipment and operator as follows:

Payment for the equipment will be made in accordance with the provisions in Article 5.04.02.D. "Equipment."

Payment for the cost of labor and subsistence or travel allowance will be made at the rates paid by the Contractor to other workers operating similar equipment already on the project, or, in the absence of such other workers, at the rates for such labor established by collective bargaining agreement for type of worker and location of the work, whether or not the owner-operator is actually covered by such an agreement. A labor surcharge will be added to the cost of labor described herein, in accordance with the provisions in subsection 2 of Article 5.04.02(B), "Labor."

To the direct cost of equipment rental and labor, computed as provided herein, will be added the markup for equipment rental and labor as provided in Article 5.04.04, "Contractor's Fee."

- F. Equipment Time: The rental time to be paid for equipment on the work shall be the time the equipment is in productive operation on the work being performed and shall include the time required to move the equipment to the new location and return it to the original location or to another location requiring no more time than that required to return it to its original location; except, that moving time will not be paid if the equipment is used on other than the extra work. Loading and transporting costs will be allowed, in lieu of moving time, when the equipment is moved by means other than its own power. No payment will be made for loading and transporting costs when the equipment is used at the site of the extra work on other than the extra work. The following shall be used in computing the rental time of equipment on the work:
1. When hourly rates are listed, any part of an hour less than 30 minutes of operation shall be considered to be ½-hour of operation, and any part of an hour in excess of 30 minutes will be considered 1-hour of operation.

2. When daily rates are listed, operation for any part of a day less than 4 hours shall be considered to be ½-day of operation.
3. Rental time will not be allowed while equipment is inoperative due to breakdowns or Contractor caused delays.
- G. Cost of Work Documentation: The Contractor shall furnish the District Daily Extra Work Reports on a daily basis covering the direct costs of labor and materials and charges for equipment whether furnished by the Contractor, subcontractor, or other forces. METRO will provide the Extra Daily Work Report forms to the Contractor. The Contractor or an authorized agent shall sign each Daily Extra Work Report. The Daily Extra Work Report shall provide names and classifications of workers and hours worked; size, type, and identification number of equipment; and the hours operated. Copies of certified payrolls and statement of fringe benefit shall substantiate labor charges. Valid copies of vendor's invoices shall substantiate material charges.

The District will make any necessary adjustments. When these reports are agreed upon and signed by both parties, they shall become the basis of payment for the work performed, but shall not preclude subsequent adjustment based on a later audit.

The Contractor shall inform the District when extra work will begin so that METRO inspector can concur with the Daily Extra Work Reports. Failure to conform to these requirements may impact the Contractor's ability to receive proper compensation.

5.04.03. Special Services

Special services are defined as that work characterized by extraordinary complexity, sophistication, or innovations, or a combination of the foregoing attributes that are unique to the construction industry. The following may be considered by the District in making estimates for payment for special services:

- A. When the District and the Contractor, by agreement, determine that a special service is required which cannot be performed by the forces of the Contractor or those of any of its subcontractors, the special service may be performed by an entity especially skilled in the work to be performed. After validation of invoices and determination of market values by the District, invoices for special services based upon the current fair market value thereof may be accepted without complete itemization of labor, material, and equipment rental costs.
- B. When the Contractor is required to perform work necessitating special fabrication or machining process in a fabrication or a machine shop facility away from the jobsite, the charges for that portion of the work performed at the offsite facility may, by agreement, be accepted as a special service and accordingly, the invoices for the work may be accepted without detailed itemization.
- C. All invoices for special services will be adjusted by deducting all trade discounts offered or available, whether the discounts were taken or not. In lieu of the allowances for overhead and profit on labor, materials, and equipment specified in Article 5.04.04. herein, a single allowance of ten (10) percent will be added to invoices for special services.

5.04.04. Contractor's Fee

- A. Work ordered on the basis of time and materials will be paid for at the actual and necessary cost as determined by the District, plus allowances for overhead and profit which allowances shall constitute the "Contractor's Fee," except as provided in subparagraph B of this Article. For extra work involving a combination of increases and decreases in the work, the actual necessary cost will be the arithmetic sum of the additive and deductive costs. The allowance for overhead and profit shall include compensation for superintendence, bond and insurance premiums, taxes, all field and home office expenses, and all other items of expense or cost not included in the cost of labor, materials, or equipment provided for under Articles 5.04.02.B, C, D, and E, herein. The allowance for overhead and profit will be made in accordance with the following schedule:

Actual Necessary Cost

Overhead and Profit Allowance

Labor.....	33 percent
Materials	15 percent
Equipment.....	15 percent

- B. Labor, materials, and equipment may be furnished by the Contractor or by the subcontractor on behalf of the Contractor. When a subcontractor performs all or any part of the extra work, the allowance specified in subparagraph A of Article 5.04.04 shall only be applied to the labor, materials, and equipment costs of the subcontractors to which the Contractor may add 5 percent of the subcontractor’s total cost for the extra work. Regardless of the number of hierarchal tiers of subcontractors, the 5 percent increase above the subcontractor’s total cost, which includes the allowances for overhead and profit specified herein, may be applied one time only for each separate work transaction.

5.04.05. Compensation for Time Extensions

Adjustments in compensation for time extension will be allowed only for causes in Article 5.05.01.B.1 through Article 5.05.01.B.4 computed in accordance with Article 5.04 and the following. No adjustments in compensation will be allowed when District-caused delays to a controlling item of work and Contractor-caused delays to a controlling item of work occur concurrently or for causes in Article 5.05.01.B.5 through Article 5.05.01.B.6.

Compensation for idle time of equipment will be determined in accordance with the provisions in Article 5.04.02.E and Section 8-1.09 of the State Specifications.

5.05. Change of Contract Time

5.05.01. General

- A. The Contract time may only be changed by a change order. Any request for an extension of the Contract time shall be based on written notice delivered by the Contractor to the District promptly, but in no event later than 10 days after the date of the occurrence of the event giving rise to the request and stating the general nature of the request. Notice of the extent of the request with supporting data shall be delivered within 45 days after the date of such occurrence, unless the District allows an additional period of time to ascertain more accurate data in support of the request, and shall be accompanied by the Contractor’s written statement that the adjustment requested is the entire adjustment to which the Contractor has reason to believe it is entitled as a result of the occurrence of said event. No request for an adjustment in the Contract time will be valid if not submitted in accordance with the requirements of this Article.

The Contract time will only be extended when a delay occurs which impacts a controlling item of work as shown on the work schedules required in the Special Provisions. Time extensions will be allowed only if the cause is beyond the control and without the fault or negligence of the Contractor. Time extensions will also be allowed when District-caused delays to a controlling item of work and Contractor-caused delays to a controlling item of work occur concurrently. The Contractor will be notified if the District determines that a time extension is not justified.

- B. The Contract time will be extended in an amount equal to time lost due to delays beyond the control of the Contractor if a request is made therefore as provided in this Article. An extension of Contract time will only be granted for days on which the Contractor is prevented from proceeding with at least 75 percent of the normal labor and equipment force actually engaged on the said work, by said occurrences or conditions resulting immediately therefrom which impact a controlling item of work as determined by the District. Such delays shall include:

- 1. Changes.

2. Failure of METRO to furnish access, right of way, completed facilities of related projects, Drawings, materials, equipment, or services for which METRO is responsible.
3. Survey error by METRO.
4. Suspension of work pursuant to Articles 7.05(A) and 7.05(C).
5. Occurrences of a severe and unusual nature including, but not restricted to, acts of God, fires, and excusable inclement weather. An "act of God" means an earthquake, flood, cloudburst, cyclone or other cataclysmic phenomena of nature beyond the power of the Contractor to foresee or to make preparation in defense against, but does not include ordinary inclement weather. Excusable inclement weather is any weather condition, the duration of which varies in excess of the average conditions expected, which is unusual for the particular time and place where the work is to be performed, or which could not have been reasonably anticipated by the Contractor, as determined from U.S. Weather Bureau records for the proceeding 3-year period or as provided for in the Special Provisions.
6. Act of the public enemy, act of another governmental entity, public utility, epidemic, quarantine restriction, freight embargo, strike, or labor dispute. A delay to a subcontractor or supplier due to the above circumstances will be taken into consideration for extensions to the time of completion.

5.05.02. Extensions of Time for Delay Due to Excusable Inclement Weather

- A. The Contract time will be extended for as many days in excess of the average number of days of excusable inclement weather, as defined in Article 5.05.01.B.5., as the Contractor is specifically required under the Special Provisions to suspend construction operations, or as many days as the Contractor is prevented by excusable inclement weather, or conditions resulting immediately therefrom, from proceeding with at least 75 percent of the normal labor and equipment force engaged on critical items of work as shown on the schedule.
- B. Should the Contractor prepare to begin work at the regular starting time at the beginning of any regular work shift on any day on which excusable inclement weather, or the conditions resulting from the weather prevents work from beginning at the usual starting time and the crew is dismissed as a result thereof, the Contractor will be entitled to a 1-day extension whether or not conditions change thereafter during said day and the major portion of the day could be considered to be suitable for such construction operations.
- C. The Contractor shall base the construction schedule upon the inclusion of the number of days of excusable inclement weather. No extension of the Contract time due to excusable inclement weather will be considered until after the said aggregate total number of days of excusable inclement weather has been reached; however, no reduction in Contract time would be made if said number of days of excusable inclement weather is not reached.

5.06. Changed Site Conditions

If any work involves digging trenches or other excavations below the surface, the Contractor shall promptly and before the following conditions are disturbed, notify METRO in writing of any:

- A. Material that the Contractor believes may be a regulated material that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law.
- B. Subsurface or latent physical conditions at the site differing from those indicated in this Contract.
- C. Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract.

METRO will promptly investigate the condition and if it finds that the conditions do materially so differ, or do involve regulated material, and cause a decrease or increase in the Contractor's cost of, or the time required for, performance of any part of the work, METRO will issue a change order under the procedures described in this Contract. For regulated materials, METRO reserves the right to use other forces for exploratory work to identify and determine the extent of such material and for removing regulated material from such areas.

In the event that a dispute arises between METRO and the Contractor on whether the conditions materially differ or on the Contractor's cost of, or time required for, performance of any part of the work, the Contractor shall not be excused from any scheduled completion date provided for by this Contract but shall proceed with all work to be performed under the Contract. The Contractor shall retain any and all rights provided either by this Contract or by law, which pertain to the resolution of disputes and protests between the contracting parties.

5.07 Waivers and Releases

Contractor is required to provide unconditional waivers and releases of stop notices in accordance with California Civil Code §3262(d)(2). METRO agrees to pay Contractor within 30 days after receipt of an undisputed and properly submitted payment request from the Contractor. If METRO fails to make such payments in a timely manner, METRO shall pay interest to the Contractor equivalent to the legal rate set forth in Subdivision (a) of Section 685.010 of the Code of Civil Procedure. For purposes of this section, "progress payment" includes all payments due contractor, except that portion of the final payment designated by the contract as retention earnings. Any payment request determined not to be a proper payment request suitable for payment shall be returned to the Contractor as soon as practicable, but not later than seven days, after receipt. A request returned pursuant to this paragraph shall be accompanied by a written explanation of why the payment request is not proper. The number of days available to METRO to make a payment without incurring interest pursuant to this section shall be reduced by the number of days by which METRO exceeds the seven-day return requirement set forth above. A payment request shall be considered properly executed if funds are available for payment of the payment request and payment is not delayed due to an audit inquiry by METRO's financial officer.

6. NOTICES

All notices under this Contract shall be in writing and shall be effective when received, if delivered by hand; or three (3) days after posting, if sent by registered mail, return 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.

METRO

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

Attention: General Manager

CONTRACTOR

Attention: _____

7. ENTIRE AGREEMENT

- 7.01 This Contract represents the entire agreement of the parties with respect to the subject matter hereof, and all such agreements entered into prior hereto are revoked and superseded by this Contract, and no representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in other contemporaneous written agreements.
- 7.02 This Contract may not be changed, modified or rescinded except in writing, signed by all parties hereto, and any attempt at oral modification of this Contract shall be void and of no effect.

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 it. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it.

Signed on _____

METRO--SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR-- _____

By _____

Approved as to Form:

Margaret Rose Gallagher
District Counsel

SAMPLE
CONTRACT

PAYMENT BOND

KNOW ALL PERSONS BY THESE PRESENTS, that _____
Called the Principal, and _____, a corporation duly organized under the laws of
the State of _____
Having its principal place of business at _____
In the State of _____, and authorized to do business in the State of California, herein called Surety,
are held and firmly bound unto the Santa Cruz Metropolitan Transit District hereinafter called "METRO",
"DISTRICT", or "Obligee" in the sum of _____
_____ (\$ _____) being not less than ONE HUNDRED PERCENT (100%) of
the total amount of the Contract price, lawful money of the United States of America, well and truly to be made, we
bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS the Principal has entered into a Contract with the Obligee for Parking Lot Paving/Grade-Blending and
Relate Site Work and said Principal is required under the terms of said Contract to furnish a bond securing payment
of claims to which reference is made in Section 3248 of the California Civil Code.

NOW, THEREFORE, if said Principal or any of its subcontractors fails to pay any of the persons named in Section
3181 of the California Civil Code, or the amounts due under the California Unemployment Insurance Code with
respect to work performed under the Contract, or any amounts required to be deducted, withheld and paid over to the
California Employment Development Department from the wages of the Contractor and subcontractors pursuant to
Section 13020 of the California Unemployment Insurance Code with respect to such work and labor, the Surety will
pay same, in the amount not exceeding the sum specified in this bond, and will also pay, in case suit is brought upon
this bond, a reasonable attorney's fee, to such claimant and to the Obligee to be fixed by the court.

This bond will inure to the benefit of any persons named in Section 3181 of the California Civil Code so as to give a
right of action to such persons or to their assigns in any suit brought upon this bond.

This bond is given to comply with Sections 3247 through 3252 inclusive of the California Civil Code and shall inure
to the benefit of any and all persons, companies and corporations named in Section 3181 of said _____ so as to
give a right of action to them or their assigns in any suit brought upon this bond.

The said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or
addition to the terms of the Contract, or to the work to be performed thereunder, or the specifications accompanying
the same shall, in any way, affect its obligations on this bond, and it does hereby waive notice of any such change,
extension of time, alteration, or addition to the terms of the Contract, or to the work or to the special provisions.
Said Surety hereby waives the provisions of Sections 2819 and 2845 of the Civil Code of the State of California.

To be considered complete, both the Bidder and an admitted Surety insurer authorized by the California Insurance
Commissioner to transact surety business in the State of California, must sign this Payment bond. In addition, the
Surety's signature must be notarized and a copy of the Surety's power of attorney must be attached.

IN WITNESS WHEREOF, the above bonded parties have executed this instrument under their seals this _____
day of _____, _____, the name and corporate seal of each corporate party being hereto affixed and
these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(Seal)

PRINCIPAL

BY

PRINCIPAL SEAL

(Seal)

SURETY

BY

SURETY SEAL

ADDRESS OF SURETY

(This bond must be submitted in sets of four, each bearing original signatures. The signature of the Attorney-In Fact for the Surety must be acknowledged by a Notary Public. These bonds must be accompanied by a current Power of Attorney appointing such Attorney-In-Fact.)

FAITHFUL PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS, that WHEREAS, the Santa Cruz Metropolitan Transit District, herein called the "DISTRICT" or "METRO" or "Obligee" has entered into Contract No. 08-14 with _____ called Principal for Parking Lot Paving/Grade-Blending and Relate Site Work, and;

WHEREAS, said Principal is required under the terms of Contract No. 08-14 to furnish a bond for the faithful performance of the Contract;

NOW, THEREFORE, we, the Principal, and _____ as Surety, are held and firmly bound to METRO, in the penal sum of _____ (\$ _____) lawful money of the United States of America, well and truly to be made being one hundred percent (100%) of the contract amount, for the payment of which sum will and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if the above-bonded Principal; its heirs, executors, administrators, successors, or assigns shall in all things stand to and abide by and well and truly keep and faithfully perform the covenants, conditions and agreements in the said Contract and any alteration thereof, made as provided in the Contract, on its part to be kept and performed at the time and in the manner specified and in all respects according to their true intent and meaning, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and virtue.

And the said Surety, for the value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract or to the work to be performed thereunder or the specifications accompanying the same shall in any way effect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract or to the work or to the specifications. And the said surety, for value received, hereby stipulates and agrees to waive the provisions of the **California Civil Code Sections 2819 and 2845.**

As a condition precedent to satisfy completion of the Contract, the above obligations to the amount of _____ (\$ _____) being not less than FIFTY PERCENT (50%) of the total amount payable to METRO, under this Contract, shall hold good for a period of three (3) years after the completion and acceptance of said work, during which time if the Principal, or its heirs, executors, administrators, successors, or assigns makes full and satisfactory repair and replacement of defective materials, faulty workmanship, and work not conforming to the requirements of the Contract, and protects METRO from cost and damage caused by same, then the obligation in the sum of _____ (\$ _____) shall become null and void, otherwise it shall remain in full force and virtue.

In the event that METRO, or its successors or assigns, shall be the prevailing party in an action brought upon this bond, then, in addition to the penal sum specified herein above, we agree to pay to METRO, or its successors or assigns, a reasonable sum on account of attorney's fees in such action, which sum shall be fixed by the court.

California law shall govern the interpretation of this bond.

To be considered complete, both the Contractor and an admitted Surety insurer authorized by the California Insurance Commissioner to transact surety business in the State of California, must sign this Performance bond. In addition, the Surety's signature must be notarized and a copy of the Surety's power of attorney must be attached.

FAITHFUL PERFORMANCE BOND

IN WITNESS WHEREOF, the above bonded parties have executed this instrument under their seals this _____ day of _____, _____, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

DATE

PRINCIPAL

BY

PRINCIPAL SEAL

SURETY

BY

SURETY SEAL

ADDRESS OF SURETY

[End of performance Bond.]

PART VI

FEDERAL TRANSIT ADMINISTRATION (FTA) REQUIREMENTS FOR CONSTRUCTION CONTRACTS

1.01 NO GOVERNMENT OBLIGATION TO THIRD PARTIES

- A. METRO and Contractor acknowledge and agree that, notwithstanding any concurrence by the Federal Government in or approval of the solicitation or award of the underlying contract, absent the express written consent by the Federal Government, the Federal Government is not a party to this contract and shall not be subject to any obligations or liabilities to METRO, Contractor, or any other party (whether or not a party to that contract) pertaining to any matter resulting from the underlying contract.
- B. The Contractor agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clause shall not be modified, except to identify the subcontractor who will be subject to its provisions.

1.02 PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS AND RELATED ACTS

- A. The Contractor acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. §§ 3801 et seq and U.S DOT. Regulations “Program Fraud Civil Remedies”, 49 C.F.R. Part 31, apply to its actions pertaining to this Project. Upon execution of the underlying contract, the Contractor certifies or affirms the truthfulness and accuracy of any statement it has made, it makes or it may make, or causes to be made, pertaining to the underlying contract or the FTA assisted project for which this contract work is being performed. In addition to other penalties that may be applicable, the Contractor further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification, the Federal Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986 on the Contractor to the extent the Federal Government deems appropriate.
- B. The Contractor also acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification to the Federal Government under a contract connected with a project that is financed in whole or in part with Federal assistance originally awarded by the FTA under the authority of 49 U.S.C. § 5307, the Government reserves the right to impose the penalties of 18 U.S.C. § 5307(n)(1) on the Contractor, the extent the Federal Government deems appropriate.
- C. The Contractor agrees to include the above two clauses in each subcontract financed in whole or in part with Federal assistance provided by the FTA. It is further agreed that the clauses shall not be modified, except to identify the subcontractor who will be subject to the provisions.

1.03 ACCESS TO RECORDS AND REPORTS

- A. In accordance with 49 C.F.R. 18.36(i), Contractor agrees to provide METRO, FTA Administrator, the Comptroller General of the United States or any of their duly authorized representatives with access to any books, documents, papers and record of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts and transcriptions. Contractor also agrees, pursuant to 49 C.F.R. 633.17 to provide the FTA Administrator or authorized representative including any PMO Contractor access to Contractor’s records and construction sites pertaining to a major capital project, defined at 49 U.S.C. 5302(a)1, which is receiving federal financial assistance through programs described at 49 U.S.C. 5307, 5309 or 531.
- B. The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

- C. The Contractor agrees to maintain all books, records, accounts and reports required under this contract for a period of not less than three years after the date of termination or expiration of this contract, except in the event of litigation or settlement of claims arising from the performance of this contract, in which case Contractor agrees to maintain same until METRO, the FTA Administrator, the Comptroller General, or any of their duly authorized representatives, have disposed of all such litigation, appeals, claims or exceptions related thereto. Reference 49 CFR 18.39(i)(11).

1.04 FEDERAL CHANGES

Contractor shall at all times comply with all applicable FTA regulations, policies, procedures, and directives, including without limitation those listed directly or by reference in the Master Agreement between METRO and the FTA, as they may be amended or promulgated from time to time during the term of this contract. Contractor's failure to so comply shall constitute a material breach of this contract.

1.05 CIVIL RIGHTS REQUIREMENTS

- A. Nondiscrimination-In accordance with Title VI of the Civil Rights Act, as amended, 42 U.S.C. § 2000d, section 303 of the Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6102, section 202 of the Americans with Disabilities Act of 1990, 42 U.S.C. § 12132, and Federal transit law at 49 U.S.C. § 5332, the Contractor and Subcontractor agree that it will not discriminate against any employee or applicant for employment because of race, color, creed, national origin, sex, age, or disability. In addition, the Contractor agrees to comply with applicable Federal implementing regulations and other implementing requirements FTA may issue.
- B. Equal Employment Opportunity The following equal employment opportunity requirements apply to this contract:
1. Race, Color, Creed, National Origin, Sex - In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C. § 2000e, and Federal transit laws at 49 U.S.C. § 5332, the Contractor and Subcontractor agree to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 C.F.R. Parts 60 et seq., (which implement Executive Order No. 11246, "Equal Employment Opportunity," as amended by Executive Order No. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," 42 U.S.C. § 2000e note), and with any applicable Federal statutes, executive orders, regulations, and Federal policies that may in the future affect construction activities undertaken in the course of the Project. The Contractor agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, national origin, sex, or age. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
 2. Age - In accordance with section 4 of the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. § 623 and Federal transit law at 49 U.S.C. § 5332, the Contractor agrees to refrain from discrimination against present and prospective employees for reason of age. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

3. Disabilities - In accordance with section 102 of the Americans with Disabilities Act, as amended, 42 U.S.C. § 12112, the Contractor agrees that it will comply with the requirements of U.S. Equal Employment Opportunity Commission, "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act," 29 C.F.R. Part 1630, pertaining to employment of persons with disabilities. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.
 4. In the event of the contractor's noncompliance with the nondiscrimination clauses of this agreement or with any of the said rules, regulations or orders, this agreement may be canceled, terminated or suspended in whole or in part. The contractor may be declared ineligible for further Government contracts or Federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 September 24, 1965, as amended, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation or order of the Secretary of Labor or as otherwise provided by law.
- C. The Contractor also agrees to include these requirements in each subcontract financed in whole or in part with Federal assistance provided by FTA, modified only if necessary to identify the affected parties.

1.06 DISADVANTAGED BUSINESS ENTERPRISE (DBE)

- A. METRO, having received federal financial assistance from the FTA is committed to and has adopted a DBE Program in accordance with 49 C.F.R. part 26, issued by U.S.DOT.

It is the policy of METRO to insure nondiscrimination in the award and administration of U.S DOT assisted contracts and to create a level playing field on which the Disadvantaged Business Enterprises (DBE) can compete fairly for the contracts and Subcontracts relating to METRO's construction, procurement, and professional services activities. To this end, METRO has developed procedures to remove barriers to DBE participation in the bidding and award process and to assist DBEs to develop and compete successfully outside of the DBE program. In connection with the performance of this Contract, the Contractor will cooperate with METRO in meeting these commitments and objectives.

- B. Pursuant to 49 C.F.R. § 26.13, the Contractor is required to make the following assurance in this Contract with METRO and to include this assurance in any Contracts it makes with Subcontractors in the performance of this Contract:
1. The Contractor and each of its Subcontractors 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 C.F.R. Part 26 in the award and administration of U.S. DOT. -assisted Contracts. Failure by the Contractor or Subcontractor 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 METRO deems appropriate.
 2. Additionally, all of the requirements described in the DBE Program shall be met. A Contract that has a specific DBE participation goal will be described in the Special Conditions.
 3. Any Contractor who would like to request additional information or ask questions regarding METRO's DBE program may contact METRO's DBE Representative through the Contract Specialist.
- C. DBE Program Definitions, as used in the contract:

Any terms used in this Program that are defined in 49 C.F.R. § 26.5 or elsewhere in the Regulations shall have the meaning set forth in the Regulations. Some of the most common terms are defined below:

1. Disadvantaged Business Enterprise DBE

A DBE is a for profit, small business concern; 1) that is at least fifty one percent (51%) owned by one or more individuals who are both socially and economically disadvantaged, or, in the case of a corporation, in which fifty one percent (51%) of the stock is owned by one or more socially or economically disadvantaged individuals; and 2) whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.

2. Small Business Concern

A small business concern is an existing small business, as defined by Section 3 of the Small Business Act and the Small Business Administration regulations implementing it (13 C.F.R. Part 121), whose average annual gross receipts for the previous three (3) years does not exceed \$16.6 million (or as adjusted for inflation by the Secretary of U.S. DOT) pursuant to 49 C.F.R. § 26.65(b).

3. Socially and Economically Disadvantaged Individuals

a. There is a rebuttable presumption that an individual is both socially and economically disadvantaged if s/he is a citizen or lawfully admitted permanent resident of the United States and is:

Black American (including persons having origins in any of the Black racial groups of Africa);

Hispanic American (including persons of Central or South American, Cuban, Dominican, Mexican, Puerto Rican, or other Spanish or Portuguese culture or origin, regardless of race);

Native American (including persons who are Aleuts, American Indians, Eskimos, or Native Hawaiians); Asian-Pacific American (including persons whose origins are from Brunei, Burma (Myanmar), Cambodia (Kampuchea), China, the Commonwealth of the Northern Marianas Islands, the Federated States of Micronesia, Fiji, Guam, Hong Kong, Indonesia, Japan, Juvalu, Kirbati, Korea, Laos, Macao, Malaysia, Nauru, the Philippines, Samoa, Taiwan, Thailand, Tonga, the U.S. Trust Territories of the Pacific Islands (Republic of Pilau), or Vietnam; Subcontinent Asian American (including persons whose origins are from Bangladesh, Bhutan, India, the Maldives Islands, Nepal, Pakistan, or Sri Lanka);

A Woman; or

A member of any additional group that is designated as socially and economically disadvantaged by the Small Business Administration.

b. Additionally, any individual can demonstrate, by a preponderance of evidence, that s/he is socially and economically disadvantaged on a case-by-case basis. METRO will follow the guidelines in 49 C.F.R. Part 26, Appendix E.

- c. An individual cannot be presumed or determined on a case-by-case basis to be economically disadvantaged if s/he has a personal net worth exceeding \$750,000 (excluding the individual's ownership interests in the small business concern and his or her primary residence).
 - i. Race-Neutral
A procedure or program that is used to assist all small businesses. For the purposes of this Program, race-neutral includes ethnic and gender neutrality.
 - ii. Race-Conscious
A measure or program that is specifically focused on assisting only DBEs, including women-owned DBEs.
 - iii. Personal Net Worth
The net value of the assets of an individual remaining after total liabilities is deducted. An individual's personal net worth does not include the individual's ownership interest in an applicant or participating DBE firm, or the individual's equity in his or her primary place of residence. An individual's personal net worth includes only his or her share of community property.

1.07 GOVERNMENT-WIDE DEBARMENT AND SUSPENSION

Instructions for Certification

- A. The certification in this clause is a material representation of fact upon which reliance was placed when this Contract was entered into. If it is later determined that the Contractor knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, METRO may pursue available remedies, including suspension and/or debarment, and/or contract termination.
- B. The Contractor shall provide immediate written notice to METRO if at any time the Contractor learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- C. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "persons," "principal," "bid," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549 [49 CFR Part 29]. You may contact METRO for assistance in obtaining a copy of those regulations.
- D. The Contractor agrees that by executing this Contract that, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized in writing by METRO.
- E. The Contractor further agrees by executing this Contract that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction", without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- F. A Contractor may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A Contractor may decide the method and frequency by which it determines the eligibility of its principals. Each participant

may, but is not required to, check the Non- procurement List issued by U.S. General Service Administration.

- G. Nothing contained in the foregoing shall be construed to require establishment of system of records in order to render in good faith the certification required by this clause. The knowledge and information of a Contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- H. If a Contractor in a covered by this Contract knowingly enters into a lower tier covered Contract with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this Contract , in addition to all remedies available to the Federal Government, METRO may pursue available remedies including suspension and/or debarment.

"Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction."

- (1) The Contractor certifies, by execution of this Contract, that neither it nor its "principals" [as defined at 49 C.F.R. § 29.105(p)] is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- (2) When the Contractor is unable to certify to the statements in this certification, such prospective participant shall attach an explanation to this bid.

1.08 BUY AMERICA

The contractor agrees to comply with 49 U.S.C. 5323(j) and 49 CFR Part 661, which provide that Federal funds may not be obligated unless steel, iron, and manufactured products used in FTA-funded projects are produced in the United States, unless a waiver has been granted by FTA or the product is subject to a general waiver. General waivers are listed in 49 CFR 661.7, and include final assembly in the United States for 15 passenger vans and 15 passenger wagons produced by Chrysler Corporation, microcomputer equipment, software, and small purchases (currently less than \$100,000) made with capital, operating, or planning funds. Separate requirements for rolling stock are set out at 5323(j)(2)(C) and 49 CFR 661.11. Rolling stock not subject to a general waiver must be manufactured in the United States and have a 60 percent domestic content.

A bidder must submit to METRO the appropriate Buy America Certification, Bid Form – Document 10, with all bids on FTA-funded contracts, except those subject to a general waiver. Bids or offers that are not accompanied by a completed Buy America certification must be rejected as non-responsive. This requirement does not apply to lower tier subcontractors.

1.09 LOBBYING

Byrd Anti-Lobbying Amendment, 31 U.S.C. 1352, as amended by the Lobbying Disclosure Act of 1995, P.L. 104-65 [to be codified at 2 U.S.C. § 1601, et seq.] - Contractors who apply or bid for an award of \$100,000 or more shall file the certification required by 49 CFR part 20, "New Restrictions on Lobbying." Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose the name of any registrant under the Lobbying Disclosure Act of 1995 who has made lobbying contacts on its behalf with non-Federal funds with respect to that Federal contract, grant or award covered by 31 U.S.C. 1352. Such disclosures are forwarded from tier to tier up to METRO.

1.10 CLEAN AIR

The Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air, as amended 42 U.S.C. § 7401 et seq. The Contractor agrees to report each violation to METRO and understands and agrees that METRO will in turn, report each violation as required to assure notification to FTA and the appropriate EPA Regional Office. The Contractor also agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with Federal assistance provided by FTA.

1.11 CLEAN WATER REQUIREMENTS

- A. The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended 33 U.S.C. 1251 et seq. The Contractor agrees to report each violation to METRO and understands and agrees that METRO will, in turn, report each violation as required to assure notification to FTA and the appropriate EPA regional office.
- B. The Contractor also agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with Federal assistance provided by FTA.

1.12 DAVIS-BACON ACT AND COPELAND ANTI-KICKBACK ACT

- A. Minimum wages - (i) All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.
- B. Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR Part 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein, provided that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.
 - 1. Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.
 - 2. If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably

anticipated in providing bona fide fringe benefits under a plan or program, provided that the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

3. The contracting officer shall require that any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The contracting officer shall approve an additional classification and wage rate and fringe benefits therefor only when the following criteria have been met:
 - (a) The work to be performed by the classification requested is not performed by a classification in the wage determination; and
 - (b) The classification is utilized in the area by the construction industry; and
 - (c) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.
4. If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by the contracting officer to the Administrator of the Wage and Hour Division, Employment Standards Administration, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.
5. In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer shall refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination with 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.
6. The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (1)(iv) (B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.
 - (a) Withholding –METRO 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 the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), all or part of the wages required by the contract, METRO may, after written notice to the contractor,

sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

- (b) Payrolls and basic records - (i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the project). Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.
7. The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to METRO for transmission to the Federal Transit Administration. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR part 5. This information may be submitted in any form desired. Optional Form WH-347 is available for this purpose and may be purchased from the Superintendent of Documents (Federal Stock Number 029-005-00014-1), U.S. Government Printing Office, Washington, DC 20402. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors.
- (a) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:
 - (i) That the payroll for the payroll period contains the information required to be maintained under 29 CFR part 5 and that such information is correct and complete;
 - (ii) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;
 - (iii) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.
8. The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (3)(ii)(B) of this section.

9. The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.
 - (a) The contractor or subcontractor shall make the records required under paragraph (3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the Federal Transit Administration or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the Federal agency may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.
 - (b) Apprentices and trainees - (i) Apprentices - Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training, or with a State Apprenticeship Agency recognized by the Bureau, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Bureau of Apprenticeship and Training or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator of the Wage and Hour Division of the U.S. Department of Labor determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Bureau of Apprenticeship and Training, or a State Apprenticeship Agency recognized by the Bureau, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.
10. Trainees - Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the

trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

- (a) Equal employment opportunity - The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.
- B. Compliance with Copeland Act requirements - The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.
- C. Subcontracts - The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the Federal Transit Administration may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.
- D. Contract termination: debarment - A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.
- E. Compliance with Davis-Bacon and Related Act requirements - All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.
- F. Disputes concerning labor standards - Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.
- G. Certification of eligibility –
 - 1. By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).
 - 2. No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).
 - 3. The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

1.13 CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

- A. 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 workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
- B. Violation; liability for unpaid wages; liquidated damages - In the event of any violation of the clause set forth in paragraph (1) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States 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 paragraph (1) of this section, in the sum of \$ 10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this section.
- C. Withholding for unpaid wages and liquidated damages - METRO 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 moneys 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 paragraph (2) of this section.
- D. Subcontracts - The contractor or subcontractor shall insert in any subcontracts the clauses set forth in this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in this section.
- E. Payrolls and basic records - (i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the project). Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.
- F. Section 107 (OSHA):- Contract Work Hours and Safety Standards Act –
 - 1. The Contractor agrees to comply with section 107 of the Contract Work Hours and Safety Standards Act, 40 U.S.C. section 333, and applicable DOL regulations, " Safety and Health Regulations for Construction " 29 C.F.R. Part 1926. Among other things, the Contractor agrees

that it will not require any laborer or mechanic to work in unsanitary, hazardous, or dangerous surroundings or working conditions.

2. Subcontracts - The Contractor also agrees to include the requirements of this section in each subcontract. The term "subcontract" under this section is considered to refer to a person who agrees to perform any part of the labor or material requirements of a contract for construction, alteration or repair. A person who undertakes to perform a portion of a contract involving the furnishing of supplies or materials will be considered a "subcontractor" under this section if the work in question involves the performance of construction work and is to be performed: (1) directly on or near the construction site, or (2) by the employer for the specific project on a customized basis. Thus, a supplier of materials which will become an integral part of the construction is a "subcontractor" if the supplier fabricates or assembles the goods or materials in question specifically for the construction project and the work involved may be said to be construction activity. If the goods or materials in question are ordinarily sold to other customers from regular inventory, the supplier is not a "subcontractor." The requirements of this section do not apply to contracts or subcontracts for the purchase of supplies or materials or articles normally available on the open market.

1.14 SEISMIC SAFETY REQUIREMENTS

The contractor agrees that any new building or addition to an existing building will be designed and constructed in accordance with the standards for Seismic Safety required in Department of Transportation Seismic Safety Regulations 49 CFR Part 41 and will certify to compliance to the extent required by the regulation. The contractor also agrees to ensure that all work performed under this contract including work performed by a subcontractor is in compliance with the standards required by the Seismic Safety Regulations and the certification of compliance issued on the project.

1.15 ENVIRONMENTAL PROTECTION

- A. Contractor shall comply with all applicable requirements of the National Environmental Policy Act of 1969 as amended, 42 U.S.C. §§ 4321 et seq. consistent with Executive Order No. 11514 as amended, Protection and Enhancement of Environmental Quality, 42 U.S.C. §§ 4321 note; FTA statutory requirements on environmental matters at 49 U.S.C. § 5324(b); Council on Environmental Quality regulations on compliance with the National Environmental Policy Act of 1969 as amended, 40 C.F.R. part 1500 et seq.; and joint FHWA/FTA regulations "Environmental and Related Procedures," 23 C.F.R. Part 771 and 49 C.F.R. Part 622.
- B. Contractor shall report and require each subcontractor at any tier to report any violation of these requirements resulting from any Contract activity of Contractor or subcontractor to FTA and the appropriate U.S. EPA Regional Office.

1.16 ENERGY CONSERVATION REQUIREMENTS

The Contractor agrees to comply with mandatory standard 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.

1.17 PRIVACY ACT

The following requirements apply to the Contractor and its employees that administer any system of records on behalf of the Federal Government under any contract:

- D. The Contractor agrees to comply with, and assures the compliance of its employees with, the information restrictions and other applicable requirements of the Privacy Act of 1974, 5 U.S.C. § 552a. Among other things, the Contractor agrees to obtain the express consent of the Federal Government before the Contractor or its employees operate a system of records on behalf of the Federal

Government. The Contractor understands that the requirements of the Privacy Act, including the civil and criminal penalties for violation of that Act, apply to those individuals involved, and that failure to comply with the terms of the Privacy Act may result in termination of the underlying contract.

- B. The Contractor also agrees to include these requirements in each subcontract to administer any system of records on behalf of the Federal Government financed in whole or in part with Federal assistance provided by FTA.

1.18 INCORPORATION OF FEDERAL TRANSIT ADMINISTRATION (FTA) TERMS

The preceding provisions include, in part, certain Standard Terms and Conditions required by DOT, whether or not expressly set forth in the preceding contract provisions. All contractual provisions required by DOT, as set forth in FTA Circular 4220.1E, dated June 19, 2003, are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all FTA mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this Agreement. The Contractor shall not perform any act, fail to perform any act, or refuse to comply with any (name of grantee) requests, which would cause (name of grantee) to be in violation of the FTA terms and conditions.

1.19 WARRANTY FOR THE WORK AND MAINTENANCE BOND

- A. Contractor warrants to METRO that all materials and equipment furnished under this Contract will be of the highest quality and new unless otherwise specified by METRO, free from faults and defects and in conformance with the contract. All work not so conforming to these standards shall be considered defective. If required by METRO, the contractor shall furnish satisfactorily evidence as to the kind and quality of material and equipment.
- B. The Work furnished must be of first quality and the workmanship must be the best obtainable in the various trades. The Work must be of safe, substantial and durable construction in all respects. The Contractor hereby guarantees the Work against defective materials or faulty workmanship for a minimum period of one (1) year after Final payment by (Recipient) and shall replace or repair any defective materials or equipment or faulty workmanship during the period of the guarantee at no cost to (METRO). As additional security for these guarantees, the Contractor shall, prior to the release of Final Payment, furnish separate Maintenance (or Guarantee) Bonds in form acceptable to METRO written by the same-corporate surety that provides the Performance Bond and Payment Bond for this Contract. These bonds shall secure the Contractor's obligation to replace or repair defective materials and faulty workmanship for a minimum period of one (1) year after Final Payment and shall be written in an amount equal to ONE HUNDRED PERCENT (100%) of the CONTRACT SUM, as adjusted (if at all).

1.20 RECYCLED MATERIALS

The Contractor agrees to comply with all the requirements of Section 6002 of the Resource Conservation and Recovery Act (RCRA), as amended (42 U.S.C. 6962), including but not limited to the regulatory provisions of 40 CFR Part 247, and Executive Order 12873, as they apply to the procurement of the items designated in Subpart B of 40 CFR Part 247.

1.21 FLY AMERICA REQUIREMENTS

The Contractor agrees to comply with 49 U.S.C. 40118 (the "Fly America" Act) in accordance with the General Services Administration's regulations at 41 CFR Part 301-10, which provide that recipients and subrecipients of Federal funds and their contractors are required to use U.S. Flag air carriers for U.S. Government-financed international air travel and transportation of their personal effects or property, to the extent such service is available, unless travel by foreign air carrier is a matter of necessity, as defined by the Fly America Act. The Contractor shall submit, if a foreign air carrier was used, an appropriate certification or memorandum adequately explaining why service by a U.S. flag air carrier was not available or why it was necessary to use a foreign air carrier and shall, in any event, provide a certificate of compliance with

the Fly America requirements. The Contractor agrees to include the requirements of this section in all subcontracts that may involve international air transportation.

1.22 CARGO PREFERENCE – USE OF UNITED STATES FLAG - VESSELS

The contractor agrees:

- A. to use privately owned United States-Flag commercial vessels to ship at least 50 percent of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners, and tankers) involved, whenever shipping any equipment, material, or commodities pursuant to the underlying contract to the extent such vessels are available at fair and reasonable rates for United States-Flag commercial vessels;
- B. to furnish within 20 working days following the date of loading for shipments originating within the United States or within 30 working days following the date of leading for shipments originating outside the United State, a legible copy of a rated, “on-board” commercial ocean bill-of-lading in English for each shipment of cargo described in the preceding paragraph to the Division of National Cargo, Office of Market Development, Maritime Administration, Seventh Street, S.W., Washington D.C. 20590 and to the FTA recipient (through the contractor in the case of a subcontractor’s bill-of-lading.)
- C. to include these requirements in all subcontracts issued pursuant to this contract when the subcontract may involve the transport of equipment, material, or commodities by ocean vessel.

PART VII
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
PROTEST PROCEDURE

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 (METRO) 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 Invitation for Bid (IFB) package must be filed within ten (10) calendar days prior to the bid opening date. Protests relating to a recommendation for award solicited by this IFB 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 bidders. The date of filing shall be the date of receipt of protests or appeals by the METRO.

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 METRO 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 METRO's final administrative remedy.

In the event the protestor is not satisfied with the METRO'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 Bid Protest(s) and Appeal(s). Bid includes the term "offer" or "proposal" as used in the context of negotiated procurements.

The Bidder may withdraw its protest or appeal at any time before the METRO issues a final decision.

Should the METRO postpone the date of bid submission owing to a protest or appeal of the solicitation specifications, addenda, dates or any other issue relating to this procurement, the METRO 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 bid submission shall be postponed until the METRO 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 METRO's protest procedures.

A Bidder may seek FTA review of the METRO'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 METRO'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

ATTACHMENT A

DISADVANTAGED BUSINESS ENTERPRISE INFORMATION

The Santa Cruz Metropolitan Transit District (District) has determined that Disadvantaged Business Enterprises (DBE) can reasonably be expected to compete for the opportunities in this Agreement and has established a DBE Availability Advisory 1.57 percentage. It is therefore the District's expectation that available DBE firms have an opportunity to participate in this Agreement.

1. TERMS AS USED IN THIS DOCUMENT

- The term "Disadvantaged Business Enterprise" or "DBE" means a for-profit small business concern as defined in Title 49, Part 26.5, Code of Federal Regulations (CFR).
- The term "bidder" also means "proposer" or "offerer".
- The term "Agreement" also means "Contract".
- Agency also means the local entity entering into this contract with the Contractor or Consultant.
- The term "Small Business" or "SB" is as defined in 49 CFR 26.65.

2. AUTHORITY AND RESPONSIBILITY

- A. DBEs and other small businesses are strongly encouraged to participate in the performance of Agreements financed in whole or in part with federal funds (See 49CFR26, "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs"). The Contractor should ensure that DBEs and other SBs have the opportunity to participate in the performance of the work that is the subject of this solicitation and should take all necessary and reasonable steps for this assurance. The bidder/proposer shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of subcontracts.
- B. Bidders/Proposers are encourage to use services offered by financial institutions owned and controlled by DBEs.
- C. Meeting the DBE Availability Advisory Percentage is not a condition for being eligible for award of the Agreement.

3. SUBMISSION OF DBE INFORMATION

A "Local Agency Proposer/Bidder-DBE (Consultant Contracts)-Information" form will be included in the Agreement documents to be executed by the successful bidder. The purpose of the form is to collect data required under 49 CFR 26. Even if no DBE participation will be reported, the successful bidder must execute and return the form.

4. DBE PARTICIPATION GENERAL INFORMATION

It is the bidder's responsibility to be fully informed regarding the requirements of 49 CFR, Part 26, and the Department's DBE program developed, pursuant to the regulations. Particular attention is directed to the following:

- A. A DBE must be a small business firm defined pursuant to 13 CFR 121 and be certified through the California Unified Certification Program (CUCP).
- B. A certified DBE may participate as a prime contractor, subcontractor, joint venture partner, as a vendor of material or supplies, or as a trucking company.
- C. A DBE joint-venture partner must be responsible for specific contract items of work or clearly defined portions thereof. Responsibility means actually performing, managing and supervising the work with its own forces. The DBE joint-venture partner must share in the capital contribution, control, management, risks and profits of the joint-venture commensurate with its ownership interest.

- D. A DBE must perform a commercially useful function, pursuant to 49 CFR 26.55 that is, must be responsible for the execution of a distinct element of the work and must carry out its responsibility by actually performing, managing and supervising the work./
- E. The bidder (prime contractor) shall list only one subcontractor for each portion of work as defined in their bid/proposal and all DBE subcontractors should be listed in the bid/cost proposal list of subcontractors.
- F. A prime contractor who is a certified DBE is eligible to claim all of the work in the Agreement toward the DBE participation except that portion of the work to be performed by non-DBE subcontractors.

5. RESOURCES

- A. The CUCP database includes the certified DBEs from all certifying agencies participating in the CUCP. If you believe a firm is certified that cannot be located on the database, please contact the Caltrans Office of Certification toll free number (866) 810-6346 for assistance. Bidder/Proposer may call (916) 440-0539 for web or download assistance.
- B. Access the CUCP database from the Department of Transportation, Civil Rights, Business Enterprise Program website at: <http://www.dot.ca.gov/hq/bep/>.
 - Click on the link in the left menu titled Find a Certified Firm
 - Click on Query Form link, located in the first sentence
 - Click on CUCP Database Certified DBEs located on the first line in the center of the page
 - Click on Click To Access DBE Query Form
 - Searches can be performed by one or more criteria
 - Follow instructions on the screen
 - “Start Search”, “Clear Form”, “Civil Rights Home”, and “Caltrans Home” links are located at the bottom of the query form
- C. How to Obtain a List of Certified DBEs without internet Access

DBE Directory: If you do not have Internet access, Caltrans also publishes a directory of certified DBE firms extracted from the on-line database. A copy of the directory of certified DBEs may be ordered from the Caltrans Division of Procurement and Contracts/Material and Distribution Branch/Publication Unit, 1900 Royal Oaks Drive, Sacramento, CA 95815, Telephone (916) 445-3520.

6. WHEN REPORTING DBE PARTICIPATION, MATERIAL OR SUPPLIES PURCHASED FROM DBES MAY COUNT AS FOLLOWS:

- A. If the materials or supplies are obtained from a DBE manufacturer, one hundred percent of the cost of the materials or supplies will count toward the DBE participation. A DBE Manufacturer is a firm that operates or maintains a factory, or establishment that produces on the premises, the materials, supplies, articles, or equipment required under the Agreement and of the general character described by the specifications.
- B. If the materials or supplies purchased from a DBE regular dealer, count sixty percent of the cost of the materials or supplies toward DBE participation. A DBE regular dealer is a firm that owns, operates or maintains a store, warehouse, or other establishment in which the materials, supplies, articles or equipment of the general character described by the specifications and required under the Agreement are bought, kept in stock, and regularly sold or leased to the public in the usual course of business. To be a DBE regular dealer, the firm must be an established, regular business that engages, as its principal business and under its own name, in the purchase and sale or lease of the products in question. A person may be a DBE regular dealer in such bulk items as petroleum products, steel, cement, gravel, stone or asphalt without owning, operating or maintaining a place of business provided in this section.
- C. If the person both owns and operates distribution equipment for the products, any supplementing of regular dealers’ own distribution shall be by a long-term lease agreement and not an ad hoc or

Agreement-by-Agreement basis. Packagers, brokers, manufacturers' representatives, or other persons who arrange or expedite transactions are not DBE regular dealers within the meaning of this section.

- D. Materials or supplies purchased from a DBE, which is neither a manufacturer nor a regular dealer, will be limited to the entire amount of fees or commissions charged for assistance in the procurement of the materials and supplies, or fees or transportation charges for the delivery of materials or supplies required on the job site, provided the fees are reasonable and not excessive as compared with fees charged for similar services.
7. WHEN REPORTING DBE PARTICIPATION, PARTICIPATION OF DBE TRUCKING COMPANIES MAY COUNT AS FOLLOWS:
- A. The DBE must be responsible for the management and supervision of the entire trucking operation for which it is responsible.
 - B. The DBE must itself own and operate at least one fully licensed, insured and operational truck used on the Agreement.
 - C. The DBE receives credit for the total value of the transportation services it provides on the Agreement using trucks it owns, insures, and operates using drivers it employs.
 - D. The DBE may lease trucks from another DBE firm, including an owner-operator who is certified as a DBE. The DBE who leases trucks from another DBE receives credit for the total value of the transportation services the lessee DBE provides on the Agreement.
 - E. The DBE may also lease trucks from a non-DBE firm, including an owner-operator. The DBE who leases trucks from a non-DBE is entitled to credit only for the fee or commission it receives as a result of the lease arrangement. The DBE does not receive credit for the total value of the transportation services provided by the lessee, since these services are not provided by the DBE.
 - F. For the purposes of this Section item D, a lease must indicate that the DBE has exclusive use and control over the truck. This does not preclude the leased truck from working for others during the term of the lease with the consent of the DBE, as long as the lease gives the DBE absolute priority for use of the leased truck. Leased truck must display the name and identification number of the DBE.

ATTACHMENT B

STANDARD AGREEMENT FOR SUBCONTRACTOR/DBE PARTICIPATION

1. Subcontractors

- A. Nothing in this Agreement or otherwise, shall create any contractual relation between the District and any subcontractors, and no subcontract shall relieve the Contractor of his/her responsibilities and obligations hereunder. The Contractor agree to be as fully responsible to the District for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation of the District's obligation to make payments to the Contractor.
- B. Any subcontract in excess of \$25,000, entered into as a result of this Agreement, shall contain all the provisions stipulated in this Agreement to be applicable to subcontractors.
- C. Contractor shall pay its subcontractors within ten (10) calendar days from receipt of each payment made to the Contractor by the District.
- D. Any substitution of subcontractors must be approved in writing by the District's Contract Manager in advance of assigning work to a substitute subcontractor.

2. Disadvantaged Business Enterprise Program Availability Advisory

- A. This Agreement is subject to Title 49, Part 26, Code of Federal Regulations (49 CFR 26) entitled "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs." In order to ensure District achieves its federally mandated statewide overall DBE goal, the District encourages the participation of Disadvantaged Business Enterprises (DBEs), as defined in 49 CFR 26 in the performance of Agreements financed in whole or in part with federal funds. The contractor shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of subcontracts.
- B. As required by federal law, District has established a DBE goal. In order to ascertain whether the overall DBE goal is being achieved, the District is tracking DBE participation on all federal-aid contracts.
- C. To assist contractors in ascertaining DBE availability for specific items of work, the District advises that it has determined that DBEs could reasonably be expected to compete for subcontracting opportunities on this project and the likely DBE Availability Advisory Percentage is 1.57 percent. The District also advises that participation of DBEs in the specified percentage is not a condition of award.
- D. Contractor has agreed to carry out applicable requirements to Title 49 CFR 26, in the award and administration of federally assisted Agreements. The regulations in their entirety are incorporated herein and by reference.
- E. The contractor should notify the Contract Manager in writing of any changes to its anticipated DBE participation. This notice should be provided prior to the commencement of that portion of the work.
- F. DBE and other small Businesses (SB), as identified in Title 49 CFR 26 are encouraged to participate in the performance of agreements financed in whole or in part with federal funds. The contractor, sub recipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this Agreement. The contractor shall carry out applicable requirements of Title 49 CFR 26 in the award and administration of US DOT-assisted agreements. Failure by the contractor to carry out these requirements is a material breach of this agreement, which may result in the termination of this Agreement or such other remedy as the recipient deems appropriate.
- G. Any subcontract entered into as a result of this Agreement shall contain all of the provisions of this section.

4. Performance of DBE Contractors, and other DBE Subcontractors/Suppliers
 - A. A DBE performs a commercially useful function when it is responsible for execution of the work of the Agreement and is carrying out its responsibilities by actually performing, managing, and supervising the work involved. To perform a commercially useful function, the DBE must also be responsible with respect to materials and supplies used on the Agreement, for negotiating price, determining quality and quantity, ordering the material, and installing (where applicable) and paying for the material itself. To determine whether a DBE is performing a commercially useful function, evaluate the amount of work subcontracted, industry practices; whether the amount the firm is to be paid under the Agreement is commensurate with the work it is actually performing, and other relevant factors.
 - B. A DBE does not perform a commercially useful function if its role is limited to that of an extra participant in a transaction, Agreement, or project through which funds are passed in order to obtain the appearance of DBE participation. In determining whether a DBE is such an extra participant, examine similar transactions, particularly those in which DBEs do not participate.
 - C. If a DBE does not perform or exercise responsibility for at least thirty percent of the total cost of its Agreement with its own work force, or the DBE subcontracts a greater portion of the work of the Agreement than would be expected on the basis of normal industry practice for the type of work involved, it will be presumed that it is not performing a commercially useful function.
5. Prompt Payment of Funds Withheld to Subcontractors
 - A. 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 a subcontractor within 30 days after receiving payment for work satisfactorily completed and accepted including incremental acceptances of portions of the contract work by the District. Federal law (49 CFR 26.29) requires that 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 this provision shall subject the violating prime contractor or subcontractor to the penalties, sanctions and other remedies specified in Section 7108.5 of the Business and Professions Code. These requirements shall not be construed to limit or impair any contractual, administrative, or judicial remedies otherwise available to the prime contractor or subcontractor in the event of a dispute involving late payment or nonpayment by the prime contractor, deficient subcontract performance, or noncompliance by a subcontractor. This provision applies to both DBE and non-DBE prime contractors and subcontractors.
 - B. Any subcontract entered into as a result of this Agreement shall contain all of the provisions of this section.
6. DBE Records
 - A. The Contractor shall maintain records of materials purchased and/or supplied from all subcontracts entered into with certified DBEs. The records shall show the name and business address of each DBE or vendor and the total dollar amount actually paid each DBE or vendor, regardless of tier. The records shall show the date of payment and the total dollar figure paid to all firms. DBE prime contractors shall also show the date of work performed by their own forces along with the corresponding dollar value of the work.
 - B. Upon completion of the Agreement, a summary of these records shall be prepared and submitted on the form entitled, "Final Report-Utilization of Disadvantaged Business Enterprises (DBE)", CEM-2402F (Exhibit 17-F in Chapter 17 of the LAP), certified correct by the contractor or the contractor's authorized representative and shall be furnished to the Contract Manager with the final invoice. Failure to provide the summary of DBE payments with the final invoice will result in twenty-five percent (25%) of the dollar value of the invoice being withheld from payment until the form is submitted. The amount will be returned to the contractor when a satisfactory "Final Report Utilization of Disadvantaged Business Enterprises (DBE)" is submitted to the Contract Manager.

- a. Prior to the fifteenth of each month, the contractor shall submit documentation to the District's Contract Manager showing the amount paid to DBE trucking companies. The contractor shall also obtain and submit documentation to the District's Contract Manager showing the amount paid by DBE trucking companies to all firms, including owner-operators, for the leasing of trucks. If the DBE leases trucks from a non-DBE, the contractor may count only the fee or commission the DBE receives as a result of the lease arrangement.
- b. The contractor shall also submit to the District's Contract Manager documentation showing the truck number, name of owner, California Highway Patrol CA number, and if applicable, the DBE certification number of the truck owner for all trucks used during that month. This documentation shall be submitted on the Caltrans Monthly DBE Trucking Verification, CEM-2404(F) form provided to the contractor by the District's Contract Manager.

7. DBE Certification and De-certification Status

- A. If a DBE subcontractor is decertified during the life of the Agreement, the decertified subcontractor shall notify the contractor in writing with the date of de-certification. If a subcontractor becomes a certified DBE during the life of the Agreement, the subcontractor shall notify the contractor in writing with the date of certification. Any changes should be reported to the District's Contract Manager within 30 days.

When reporting DBE participation, material or supplies purchased from DBEs may count as follows:

- B. If the materials or supplies are obtained from a DBE manufacturer, 100% of the cost of the materials or supplies will count toward DBE participation. A DBE manufacturer is a firm that operates or maintains a factory or establishment that produces on the premises, the materials, supplies, articles, or equipment required under the Agreement and of the general character described by the specifications.
- C. If the materials or supplies purchased from a DBE regular dealer, count 60% of the cost of the materials or supplies toward DBE goals. A DBE regular dealer is a firm that owns, operates or maintains a store, warehouse, or other establishment in which the materials, supplies, articles or equipment of the general character described by the specifications and required under the Agreement, are bought, kept in stock, and regularly sold or leased to the public in the usual course of business. To be a DBE regular dealer, the firm must be an established, regular business that engages, as its principal business and under its own name, in the purchase and sale or lease of the products in question. A person may be a DBE regular dealer in such bulk items as petroleum products, steel, cement, gravel, stone or asphalt without owning, operating or maintaining a place of business provided in this section.
- D. If the person both owns and operates distribution equipment for the products, any supplementing of regular dealers' own distribution equipment, shall be by a long-term lease agreement and not an ad hoc agreement-by-agreement basis. Packagers, brokers, manufacturers' representatives, or other persons who arrange or expedite transactions are not DBE regular dealers within the meaning of this section.
- E. Materials or supplies purchased from a DBE, which is neither a manufacturer nor a regular dealer, will be limited to the entire amount of fees or commissions charged for assistance in the procurement of the materials and supplies, or fees or transportation charges for the delivery of materials or supplies required on the job site, provided the fees are reasonable and excessive as compared with fees charged for similar services.

When reporting DBE participation, participation of DBE trucking companies may count as follows:

- F. The DBE must be responsible for the management and supervision of the entire trucking operation for which it is responsible.
- G. The DBE must itself own and operate at least one fully licensed, insured, and operational truck used on the Agreement.

- H. The DBE receives credit for the total value of the transportation services it provides on the Agreement using trucks it owns, insures, and operates using drivers it employs.
- I. The DBE may lease trucks from another DBE firm including an owner-operator who is certified as a DBE. The DBE who leases trucks from another DBE receives credit for the total value of the transportation services the lessee DBE provides on the Agreement.
- J. The DBE may also lease trucks from a non-DBE firm, including an owner-operator. The DBE who leases trucks from a non-DBE is entitled to credit only for the fee or commission it receives as a result of the lease agreement. The DBE does not receive credit for the total value of the transportation services provided by the lessee, since these services are not provided by the DBE.
- K. For the purposes of this section, a lease must indicate that the DBE has exclusive use and control over the truck. This does not preclude the leased truck from working for others during the term of the lease with the consent of the DBE, as long as the lease gives the DBE absolute priority for use of the leased truck. Leased trucks must display the name and identification number of the DBE.

SECTION 02740

FLEXIBLE PAVEMENT

PART 1 - GENERAL

1.01 RELATED DOCUMENTS

- A. Drawings and general provisions of the Contract, including Invitation For Bids (IFB) and other Division 1 Specification Sections, apply to this Section.

1.02 SUMMARY

- A. This Section includes the following:
 - 1. Provide asphalt concrete paving for the following applications:
 - a. On-site asphalt concrete parking areas.
 - b. On-site roadway asphalt concrete overlays.
 - c. Pavement repair at demolition of existing cmu walls.
- B. Related Sections include the following:
 - 1. Division 1 Section "Submittals."
 - 2. Division 2 Section "Excavation."
 - 3. Division 2 Section "Backfill."

1.03 REFERENCES

- A. The Contractor's attention is directed to the recommendations contained in the report referenced in "DOCUMENT 00320 - GEOTECHNICAL INVESTIGATION INFORMATION."
- B. Caltrans Standard Specifications, 2002 Edition, Section 39, "Asphalt Concrete", Section 84-3, "Engineering Fabrics", and Section 92, "Asphalts," excepting the Measurement and Payment sections contained therein.
- C. City of Santa Cruz Standard Specifications, Technical Provisions, Section 12: Construction of Streets.

1.04 MEASUREMENT AND PAYMENT

- A. Full compensation for furnishing all labor, materials, tools, equipment and incidentals, and for doing all the work involved in constructing vehicular asphalt concrete paving work including materials, pavement cutting, placement and compaction of aggregate base course, and asphalt concrete installation as shown in the plans, as described herein, as specified by these specifications and as directed by the District shall be considered as included in the unit price paid for vehicular asphalt concrete pavement and no additional compensation will be allowed therefor.
- B. Full compensation for furnishing all labor, materials, tools, equipment and incidentals, and for doing all the work involved in constructing asphalt concrete overlays work including materials and asphalt concrete installation as shown in the plans, as described herein, as specified by these specifications and as directed by the District

shall be considered as included in the unit price paid for asphalt concrete overlay and no additional compensation will be allowed therefor.

1.05 SUBMITTALS

- A. Asphalt concrete mix designs.
- B. Certificate of compliance with Caltrans specifications if requested by Owner's Representative.

1.06 REGULATORY REQUIREMENTS

- A. All work, material, procedures and practices under this section shall conform to requirements of the California Air Resources Board (CARB) and the Monterey Bay Unified Air Pollution Control District.

1.07 QUALITY ASSURANCE

- A. Provide products of acceptable manufacturers, which have been in satisfactory use in similar service for at least three years.
- B. Use only experienced workers and installers.
- C. Deliver, handle, and store materials in accordance with manufacturer's instructions.
- D. Water test completed pavement.
 - 1. Pavement shall drain without the formation of puddles or birdbaths. Remove and replace pavement that does not comply.

PART 2 - PRODUCTS

2.01 MATERIALS

- A. The asphalt concrete shall conform to the following requirements:
 - 1. Asphalt concrete shall be Type B in conformance with the provisions in the Caltrans Standard Specifications, 2002 Edition, Section 39, "Asphalt Concrete," and these special provisions.
 - 2. The aggregate for Type B asphalt concrete shall conform to the 1/2" maximum, medium grading specified in the Caltrans Standard Specifications, 2002 Edition, Section 39-2.02, "Aggregate," and these special provisions. For work within the City of Santa Cruz Right-Of-Way, for surfaces greater than 2 inches in depth, the asphalt concrete shall be placed in two layers, the bottom layer of which may be 3/4" maximum aggregate. It shall conform to medium grading.
 - 3. The asphalt content of the asphalt mixture will be determined in conformance with the requirements in California Test 379, or in conformance with the requirements in California Test 382.
 - 4. The spreading and compacting requirements of the Caltrans Standard Specifications, 2002 Edition, Section 39-6, "Spreading and Compacting," shall apply.
 - 5. Asphalt concrete shall be produced at a central mixing plant.
 - 6. The amount of asphalt binder to be mixed with the aggregate shall be between 4

percent and 7 percent, by weight, of the dry aggregate.

- B. Paint binder (tack coat) shall be applied to existing surfaces to be surfaced and between layers of asphalt concrete, except when eliminated by the Engineer.
- C. Paint binder (tack coat) shall be, at the option of the Contractor, either slow setting type asphaltic emulsion, rapid setting asphaltic emulsion or paving asphalt. Slow-setting type asphaltic emulsion and rapid setting asphaltic emulsion shall conform to the provisions in Section 39-4.02, "Prime Coat and Paint Binder (Tack Coat)," and the provisions in Section 94, "Asphaltic Emulsions," of the Standard Specifications. When paving asphalt is used for paint binder, the grade will be determined by the Engineer. Paving asphalt shall conform to the provisions in Section 39-4.02, "Prime Coat and Paint Binder (Tack Coat)," and the provisions in Section 92, "Asphalts," of the Standard Specifications.
- D. Pavement reinforcing fabric, shall be at all overlays of existing pavement, shall conform with Caltrans Standard Specifications, 2002 Edition, Section 39-4.03, "Pavement Reinforcing Fabric," and Section 88-1.02, "Pavement Reinforcing Fabric."
- E. Prime coat of liquid asphalt, SC-70 or SC-250, shall be placed on aggregate base before placing asphalt concrete.
- F. Seal Coat Materials shall conform to the requirements of the section entitled "Bituminous Seals" of the State Standard Specifications except as herein modified. The particular type of seal coat, size and amount of materials shall be as specified on the plans or special conditions.
- G. Bituminous binder for the fog seal shall be S.S.I mixing type asphalt emulsion mixed with equal parts water by volume.

PART 3 - EXECUTION

3.01 PREPARATION

- A. Place asphalt concrete only during periods of fair weather when the free air temperature is above 50 deg F.

3.02 PAVEMENT SAWCUTTING

- A. Saw cut existing pavement in straight lines (using a concrete saw) to a minimum depth equal to or greater than one half the thickness thereof. Should voids develop under the existing pavements during construction, those affected pavements shall be neatly sawcut in straight lines and replaced after the voids have been filled.
- B. Any pavement damaged by demolition activities shall be sawcut and restored at the expense of the Contractor.

3.03 INSTALLATION

- A. Asphalt Concrete:
 - 1. Remove loose material from compacted base. Proof roll and check for areas requiring additional compaction. Spreading and compacting shall be performed by

methods that will produce an asphalt concrete surfacing of uniform smoothness, texture and density, which does not allow water to pond. Report unsatisfactory conditions in writing to Owner's Representative.

2. Apply prime coat to prepared base 24 hours before paving at a rate of 0.10 to 0.25 gallon per square yard.
3. Apply tack coat to previous laid work not to receive pavement reinforcing fabric, and vertical surfaces at a rate of 0.05 to 0.15 gallon per square yard. Tack coat shall be applied uniformly and be allowed to cure before placement of asphalt concrete.
4. Place asphalt concrete in maximum 3 lifts at minimum temperature of 250 degrees F in strips not less than 10 feet wide overlapping previous strips.
5. Test in-place asphalt work for thickness and smoothness. Remove and replace defective work and patch to eliminate evidence of patching.
6. Begin rolling when pavement can withstand weight of roller. Roll while still hot to obtain maximum density and to eliminate roller marks. Finished pavement thickness shall be as shown on plans.

B. Placing Asphalt Concrete Surfacing within the City Of Santa Cruz right-Of-Way.

1. The thickness of the asphalt concrete surfacing shown on the plans or standard detail shall be considered the minimum thickness to be applied at any point on the street and sufficient thickness must be allowed prior to compacting to provide the necessary thickness after compaction.
2. Mixing, transporting, placing and compacting asphalt concrete surfacing shall conform to the requirements of Section 37 of the State Standard Specifications except as herein modified.
3. The mixture shall be laid on a dry surface and never while it is raining. Unless permitted by the City Engineer, the mixture shall be spread by means of a mechanical self-powered paver with a tamping bar and distributing screws to provide a well distributed compacted surface.
4. Sufficient personnel shall be provided so that irregularities can be filled and leveled to the satisfaction of the City Engineer. When permitted to spread asphalt concrete by hand, sufficient well equipped rakers and shovelers must be available to provide a level and uniform finished joint.
5. The roller shall make its first pass with the heavy wheel forward whenever possible. The joint between strips of paving shall be rolled carefully to assure a uniform density at the finished joint.
6. A Fog Seal shall be applied to all new plant-mixed surfaces.

C. Paint Binder:

1. The area to which paint binder has been applied shall be closed to public traffic. Care shall be taken to avoid tracking binder material onto existing pavement surfaces beyond the limits of construction.

D. Fog Seal:

1. A Fog Seal Coat shall be applied to all new asphalt concrete surfaces.
2. Apply fog seal at a temperature between 70°F and 130°F at a rate of 0.10 to 0.20 gallons per square yard to new asphalt concrete. Do not apply if weather conditions are unsuitable, or if atmospheric temperature is below 55°F. Protect work until seal has cured.

E. Applying Seal Coats:

1. Fog Seals to be applied to new asphalt concrete surfaces shall be applied in amounts approved by the owner's representative. The amounts of emulsified asphalt shall be approximately 0.035 gallons per square yard of surface for a total of 0.070 gallons of emulsion and water mixture per square yard of surfacing.
2. All seal coats, including the Fog Seal, shall be applied in conformity with Section 37 of the State Standard Specification except as herein modified.
3. Particular attention shall be given to the temperature of the existing surface to which the seal coat is to be applied. Seal coating shall not begin early in the morning when the pavement surface is cold without permission from the City Engineer. Care must be taken to assure immediate application of rock chips or sand after spreading the asphalt.

F. Tolerances:

1. Flatness: Maximum variation of 1/4 inch, measured with a ten-foot straight edge.
2. Compacted thickness: Within 1/4 inch.
3. Variation from specified finished elevation: Within 1/2 inch.
4. Pavement shall match existing at all patches and conforms.
5. If the finished surface of the asphalt concrete does not meet the specified surface tolerances, the surfacing shall be brought within tolerance by either (1) abrasive grinding (with fog seal coat on the areas which have been ground), (2) removal and replacement or (3) placing an overlay of asphalt concrete. The method will be selected by the Engineer. The corrective work shall be at the Contractor's expense.
6. If abrasive grinding is used to bring the finished surface to the specified surface tolerances, additional grinding shall be performed, as necessary, to extend the area ground in each lateral direction so that the lateral limits of grinding are at a constant offset from, and parallel to, the nearest lane line or pavement edge, and in each longitudinal direction so that the grinding begins and ends at lines normal to the pavement centerline, within any ground area. Ground areas shall be neat rectangular areas of uniform surface appearance. Abrasive grinding shall conform to the provisions in the first paragraph and the last 4 paragraphs in Section 42 2.02, "Construction," of the Caltrans Standard Specifications, 2002 Edition.

END OF SECTION 02740

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
RIVER STREET FACILITY
PARKING LOT PAVING/GRADE-BLENDING PROJECT**

1200 RIVER STREET
SANTA CRUZ, CALIFORNIA

PLAN DOCUMENTS

1. Work Area Key Plan
2. Demolition Plan, Area A
3. Grading and Paving Plan, Area A
4. Demolition Plan, Area B
5. Grading and Paving Plan, Area B
6. A.C. Paving Section Detail 1
7. A.C. Paving Section Detail 2
8. A.C. to Concrete Connection Detail 3



AREA A

AREA B

NEW FUEL and WASH FACILITY

FLOODPLAIN

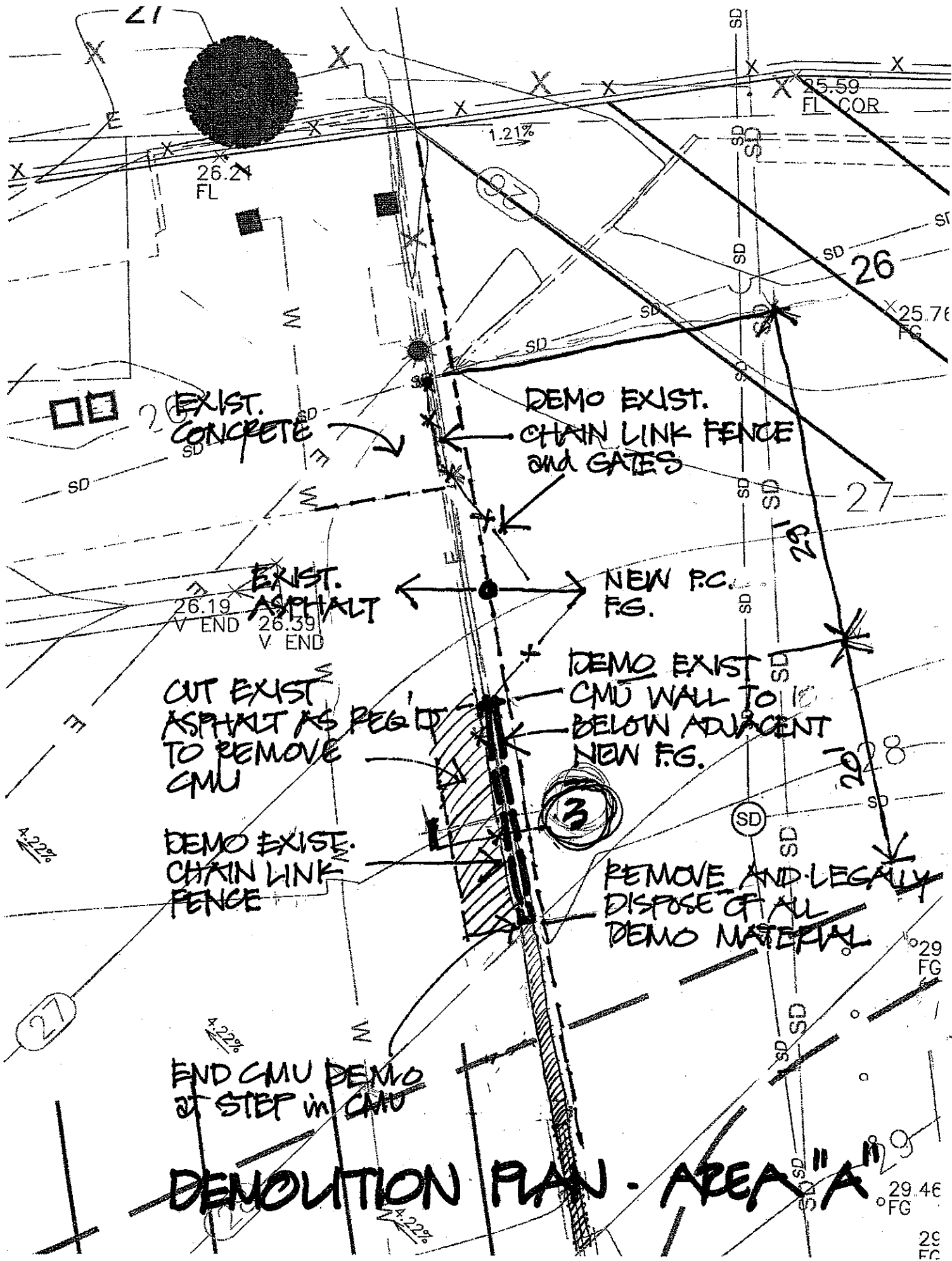
FINISHED FLOOR PERGOLATI

SERVICE BUILDING

OFFICE

RIVER STREET

WORK AREA KEY PLAN



EXIST. CONCRETE

DEMO EXIST. CHAIN LINK FENCE AND GATES

EXIST. ASPHALT

NEW P.C. FG.

CUT EXIST ASPHALT AS REQ'D TO REMOVE CMU

DEMO EXIST CMU WALL TO 10' BELOW ADJACENT NEW FG.

DEMO EXIST. CHAIN LINK FENCE

REMOVE AND LEGALLY DISPOSE OF ALL DEMO MATERIAL

END CMU DEMO AT STEP IN CMU

DEMOLITION PLAN - AREA "A"

26.24 FL

25.59 FL COR

26

25.76 FG

26.19 V END

26.39 V END

27

29

28

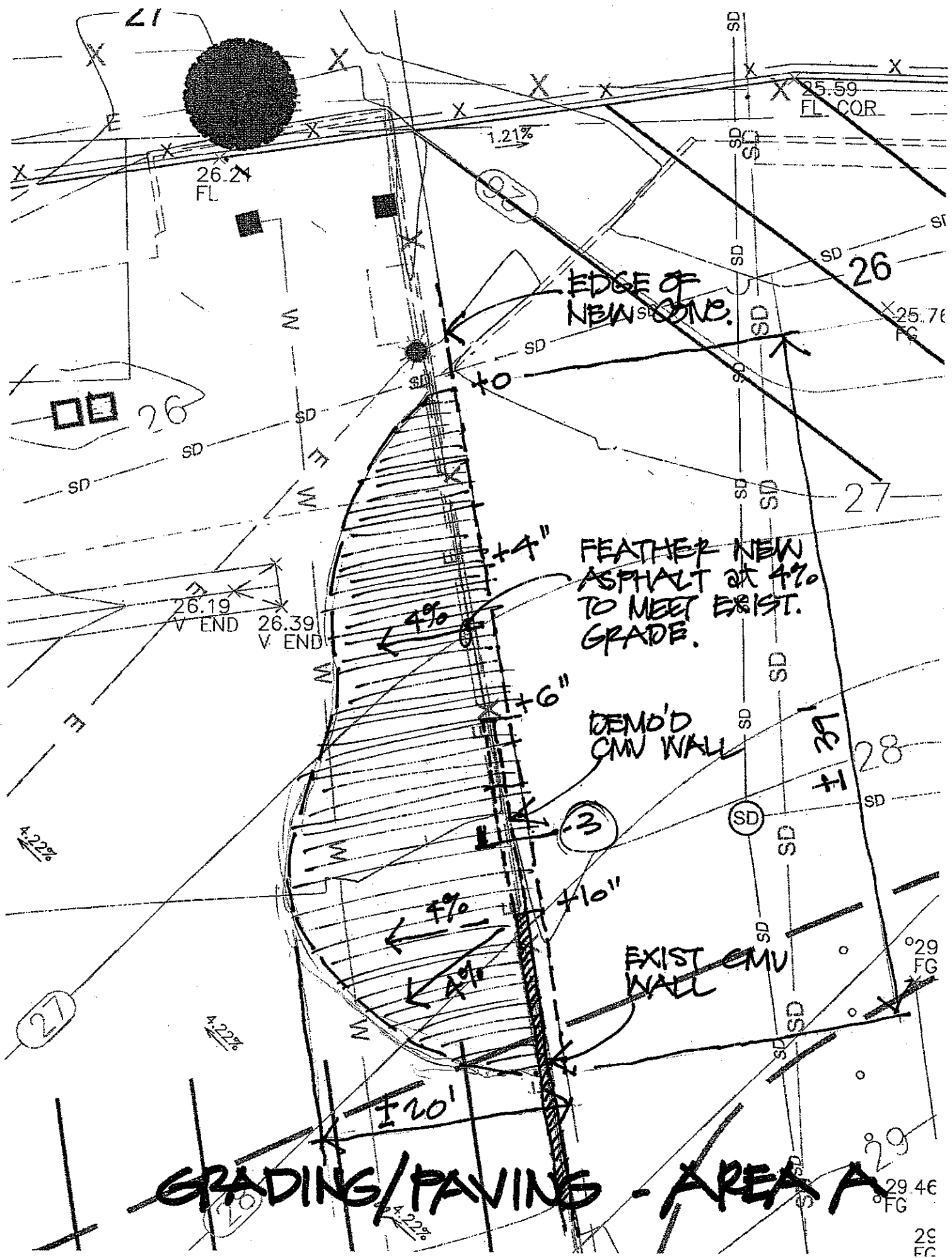
29 FG

29.46 FG

29 FC

27

21



GRADING/PAVING - AREA A

EDGE OF NEW CONC.

FEATHER NEW ASPHALT at 4% TO MEET EXIST. GRADE.

DEM'D CMU WALL

EXIST CMU WALL

26.24 FL

26.19 V END

26.39 V END

25.59 FL COR

26

25.76 FG

27

28

29 FG

29

29.46 FG

29 FG

4.22%

4.22%

4.22%

1.21%

27

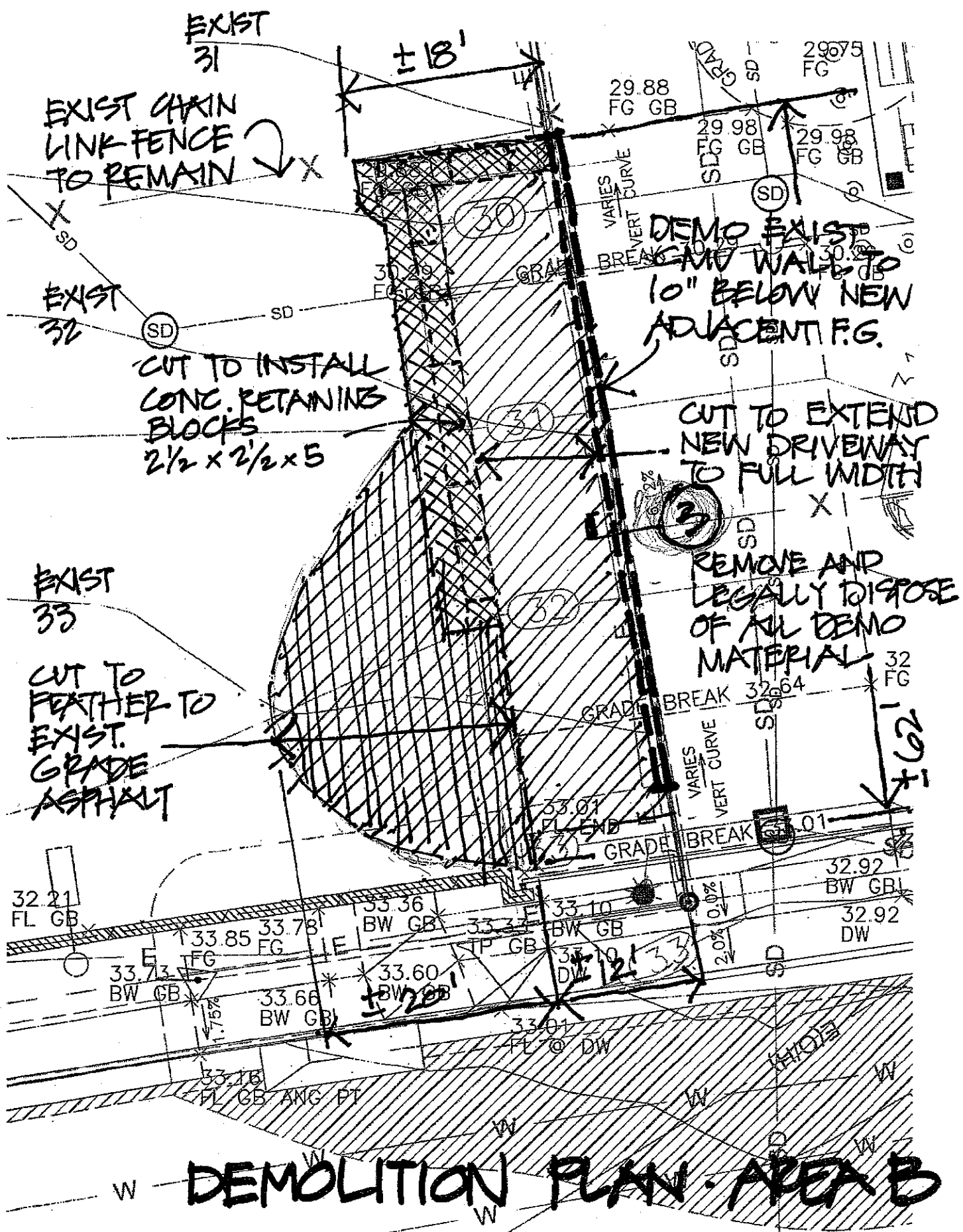
23

20'

26

26

± 39'



EXIST
31

±18'

EXIST CHAIN
LINK FENCE
TO REMAIN

29.88
FG GB

29.75
FG

DEMOLITION
WALL TO
10" BELOW NEW
ADJACENT F.G.

EXIST
32

CUT TO INSTALL
CONC. RETAINING
BLOCKS
2 1/2 x 2 1/2 x 5

CUT TO EXTEND
NEW DRIVEWAY
TO FULL WIDTH

EXIST
33

CUT TO
FEATHER TO
EXIST.
GRADE
ASPHALT

REMOVE AND
LEGALLY DISPOSE
OF ALL DEMO
MATERIAL

32.21
FL GB

33.73
BW GB

33.66
BW GB

33.60
BW GB

33.37
TP GB

33.10
BW GB

32.92
BW GB

32.92
DW

DEMOLITION PLAN AREA B

PRECAST CONC.
RETAINING BLOCKS
2' x 2' x 5'
TYP.

EXIST. FENCE
TO REMAIN

NEW C.L.
5' FENCE

FEATHER TO
MEET EXIST
GRADE

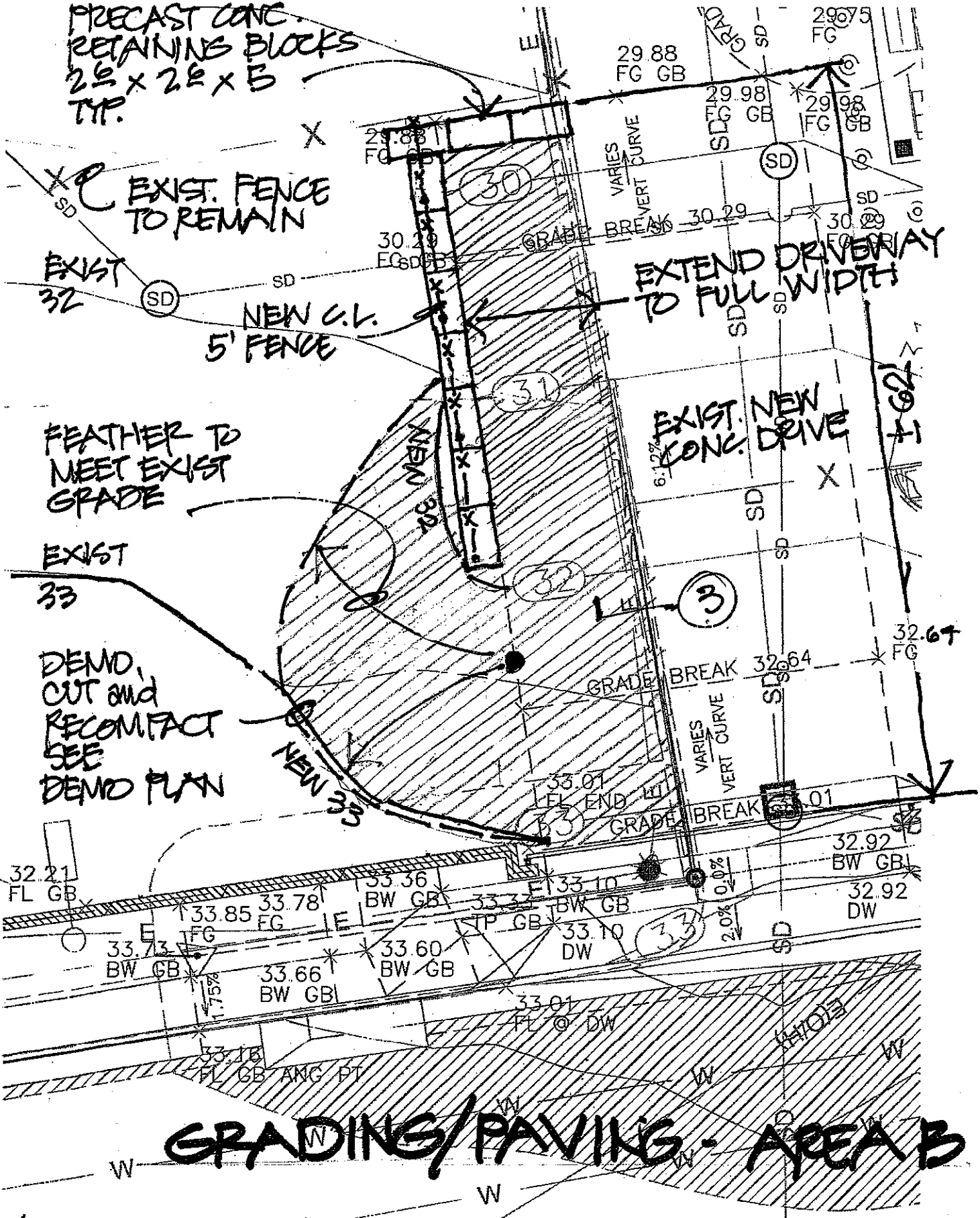
EXIST. NEW
CONC. DRIVE

EXTEND DRIVEWAY
TO FULL WIDTH

EXIST
33

DENO,
CUT and
RECOMPACT
SEE
DENO PLAN

GRADING/PAVING - AREA B

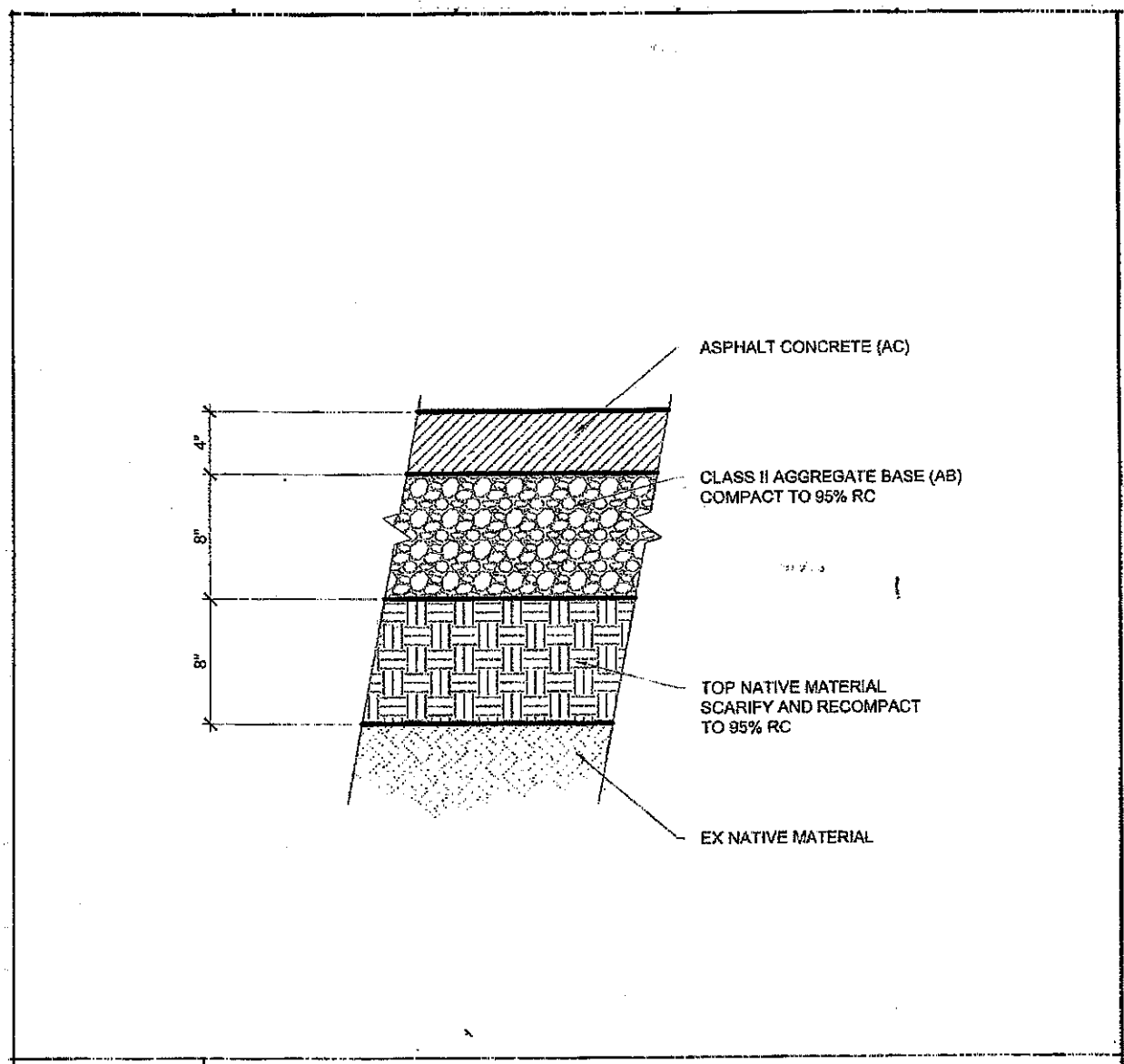


Date _____ Sheet Number _____
 By _____ Project Number _____
 Subject _____



RNL Interplan, Inc
 A California Corporation
 800 Wilshire Boulevard, Suite 400
 Los Angeles California 90017
 p) 213 955 9775
 f) 213 955 9885

RNL
DESIGN



1	VEHICULAR AC PAVEMENT
1 1/2" = 1'-0"	RE:

Date _____ Sheet Number _____

By _____ Project Number _____

Subject _____



RNL
DESIGN

RNI Interplan, Inc.

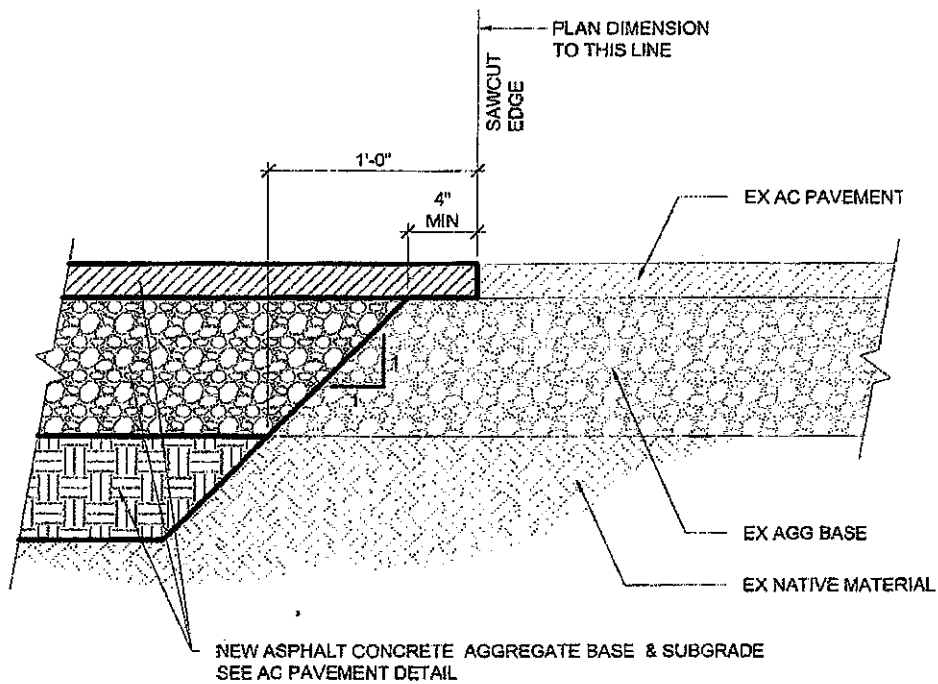
A California Corporation

800 Wilshire Boulevard, Suite 400

Los Angeles, California 90017

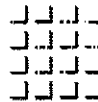
pl 213 955-9775

fl 213 955-9886



2	AC PAVEMENT CONFORM
1 1/2" = 1'-0"	RE:

Date _____ Sheet Number _____
By _____ Project Number _____
Subject _____



RNL Interplan Inc.

A California Corporation

800 Wilshire Boulevard Suite 400

Los Angeles, California 90017

pl 213 955 9775

fj 213 955 9885

RNL
DESIGN

DEMOL AND
REMOVE EXIST.
CMU RET.
WALL TO 8"
BELOW ADJ
CONC. SLAB

THICKEN NEW
ASPHALT AT
EXIST. CONC.
SLAB

12"

NEW ← → EXIST.



EXIST.
CMU AND
FOOTING
TO
REMAIN

DETAIL 3



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

ADDENDUM NO. 1

INVITATION FOR BIDS (IFB) NO. 08-14

**FOR PARKING LOT PAVING/GRADING-BLENDING CONSTRUCTION
PROJECT AT 1200 RIVER STREET, SANTA CRUZ**

November 30, 2007

Receipt of this Addendum No. 1 shall be acknowledged in your bid response. Any adjustment resulting from this addendum shall be included in the IFB. Where in conflict, the terms and conditions of this addendum supersede those in the Invitation for Bid. The purpose of this addendum is to provide answers to written questions that have been received and to provide revised drawings and revised work requirements.

At 9:00 A.M., on Wednesday November 15, 2007, a pre-bid conference was held at the subject construction site. The following people were in attendance: Bruce Rhodes, Supervisor of Fleet Maintenance, Sheldon Njaa, Supervisor of Facilities Maintenance, Lloyd Longnecker, METRO Purchasing Agent, Steve Gonzales of A & C Grading, Inc., Jim Cumming of Earth Works Paving Contractor, Inc., Mark Magdaleno of Granite Construction Company, and Kathy Rowen of Arntz Builders, Inc. The meeting provided an overview of the work requirements.

The following written questions were received regarding the project:

1. Question: Are the drawings to scale?
Answer: No, please see attached revised drawings titled Revised Grading/Paving Area A and Demo and Revised Grading/Paving Area B.
2. Question: Regarding Area B, need detail for the wall at Area B to include notes on existing wall finish (end caps) at new cut.
Answer: See attached revised drawing for Area B. Retaining wall is not being removed.
3. Question: Regarding Area A, will Contractor be feathering the AC over part of the new PCC slab?
Answer: Contractor will be feathering the AC UP TO part of the new PCC slab.
4. Question: On drawing titled Grading/Paving Area A, there is a trench between the new concrete and the old concrete and a chain link fence from utility pole to east end of yard. Do we leave these items as is?
Answer: Remove chain link fence.

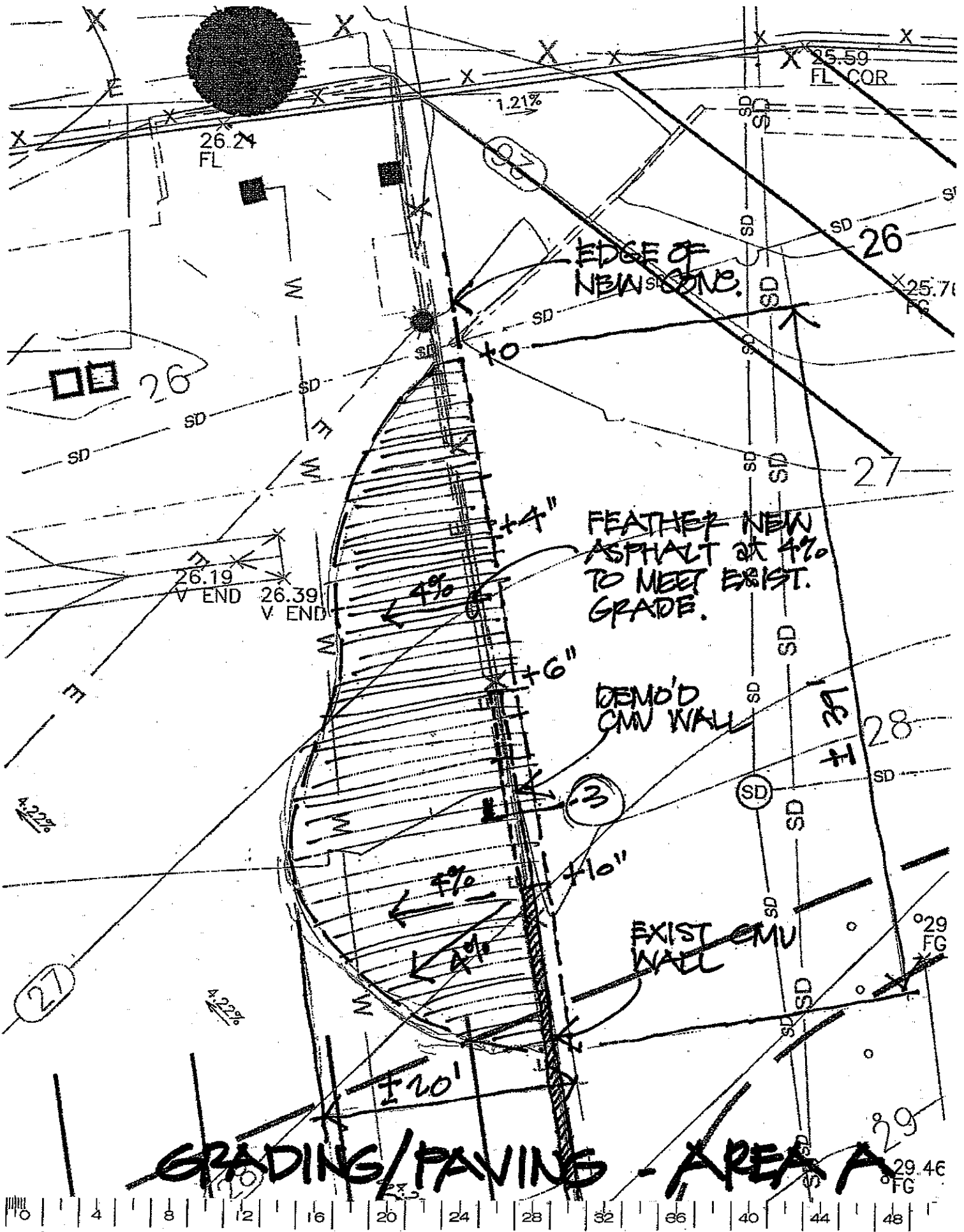
Santa Cruz Metropolitan Transit District
Addendum No. 1 to IFB No. 08-14
Page 2 of 2

5. Question: It states in the bid documents that a class C-12 is required. Will a class A license suffice?

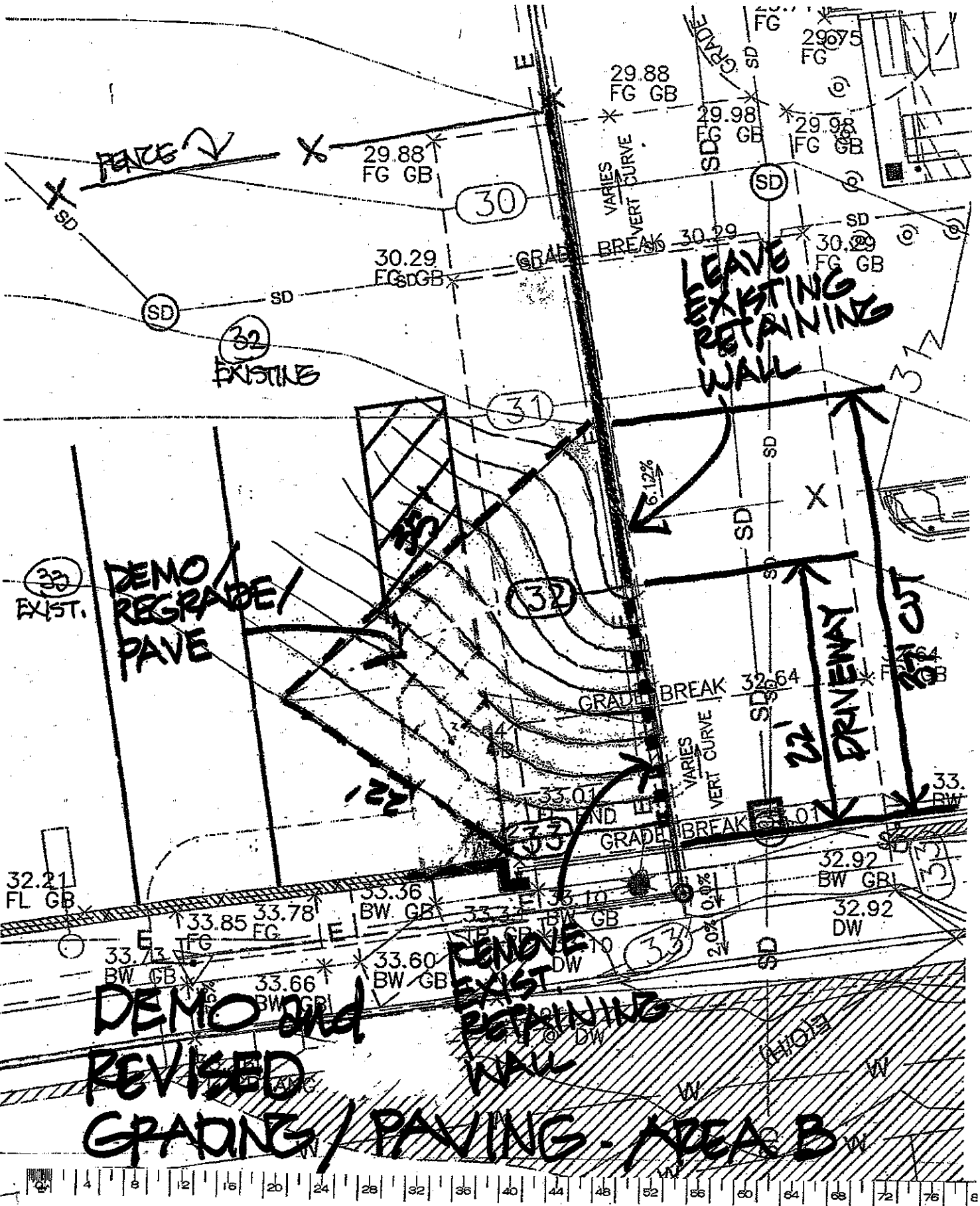
Answer: An "A" license is qualified to do or contract for the work. A "B" license can be the prime contractor but must, at a minimum, hire a C-12 and one other specialty trade contractor (like a licensed C-13 Fencing, or C32 Parking and Highway improvement) in order to contract for the work. A "C-12" is qualified to do the work.

The bid due date remains 2:00 P.M., December 13, 2007.

Lloyd Longnecker
Purchasing Agent



REVISED



REV. 1 11/25/07

II. BID FORM
Document 1

EXHIBIT - B

FOR: Parking Lot Paving/Grade-Blending Project and Related Site Work

BID TO: Santa Cruz Metropolitan Transit District
Attention: Lloyd Longnecker, Purchasing Agent
110 Vernon Street, Suite B
Santa Cruz, CA 95060

BID FROM:

(Print Name of firm submitting Proposal) **EARTHWORKS PAVING
CONTRACTORS, INC.**
310 A Kennedy Drive
Capitola CA 95010

(Address)

(City, State, Zip Code)

8314751223
(Telephone)

8314751173
(Fax)

(Email address) jimp@earthworkspaving.com

Bidder's Declarations and Statement of Understanding

- 1) The Bidder declares that he/she has read the IFB and has authority to submit the following bid. The bidder understands that, in addition to this Bid Form, the IFB and bidder's supporting documentation constitute parts of the bid and are incorporated herein by reference. Bidder acknowledges that addenda numbers 1 through have been delivered and have been taken into account as part of this bid, and that all addenda issued are hereby made part of the bid.
- 2) The Bidder declares that he/she understands that all portions of the Bid Form must be completed before the bid is submitted. Failure to do so may result in the bid being rejected as non-responsive. Attached to and submitted with the Bid Form, bidder must provide the following completed documents: Statement of Bidder's Qualifications, Experience, Financial Viability and Ability and Project Capacity, Non-Collusion Affidavit, Bidder's Bond or Security as required, Certification(s) regarding Disbarment for Contractor and for Subcontractors, Disclosure of Governmental Positions, Designation of Subcontractors, Buy America Certificate, Certification Regarding Lobbying, Disadvantaged Business Enterprise (DBE) Certification and Information Report, Statement of Compliance, Apprenticeship Employment Certification, Workers' Compensation Certification and Conflict of Interest Statement. Failure to submit all required documents completed may result in the bid being rejected as non-responsive.
- 3) The Bidder declares and agrees that it can and will meet the insurance requirements set forth in the IFB and all required insurance will be carried without reservation or exclusion should Bidder be awarded a contract pursuant to the IFB, during the entire term of the contract and any extensions thereof.
- 4) The bidder, having the appropriate active contractor's license (Class "C-12") required by the State of California; or able to obtain the appropriate license by the time of the award of the contract and having carefully read and examined the plans, specifications, and all related bidding documents as prepared by

II. BID FORM
Document 1

MEIRO for the parking lot paving/grade-blending project and related site work, having carefully and fully examined the sites of the proposed work and all information available to bidder, and being familiar with all the conditions related to the proposed work, including the availability of materials, equipment, and labor, hereby offers to furnish all labor, materials, tools, transportation, services, and equipment necessary to complete the work of the described project in accordance with the IFB, and to complete all requirements of the IFB for the sums quoted in this Bid Form. The bidder agrees that it will not withdraw its bid within sixty (60) days after the bid submission deadline. If the bidder is selected as the apparent lowest responsive responsible bidder, the bidder agrees, within ten (10) working days after receipt of notice of award, to sign and deliver the Contract, and to furnish the Performance Bond, the Payment Bond, Certificates of Insurance, and other required items to the Purchasing Agent at 110 Vernon Street, Suite B, Santa Cruz, California 95060. If awarded the Contract, the bidder agrees to complete the project within 14 calendar days after the date of the commencement specified in the Notice to Proceed.

5) The bidder agrees to perform the work for the combined cost of all items of work in the amount of:

TWENTY FOUR THOUSAND Dollars (\$ 24,000)
(In words-printed or typed)

6) Bidder represents warrants and agrees that if awarded the contract, bidder shall perform a minimum of 90 (%) of the total of all work with its own forces.

There is herewith enclosed cash, a Bidder's Bond, or bid security for the benefit of, or a certified check or cashier's check made payable to, Santa Cruz Metropolitan Transit District in the amount of:

10% OF BID AMOUNT Dollars (\$ _____)
(In words-printed or typed)

The bidder agrees that if the bidder is selected as the apparent lowest responsive responsible bidder whose bid is responsive, and the bidder fails to sign the Contract and/or furnish the Performance Bond, the Payment Bond, Certificates of Insurance, and/or other required items within the time limit specified in the IFB, the Santa Cruz Metropolitan Transit District may award the work to another bidder or call for new bids. In such event, the bidder shall be liable to the Santa Cruz Metropolitan Transit District for the difference between the amount of the disqualified bid and the larger amount for which the Santa Cruz Metropolitan Transit District procures the work plus all of the Santa Cruz Metropolitan Transit District's costs, damages, expenses and liabilities arising from bidder's failure to sign the Contract and/or furnish the required documents.

BIDDER IS A: (circle one)

Corporation Partnership Individual Joint Venture Other _____

Federal Tax Number: 912167955

Business License Number: 807689 A

What is the official name registered with the IRS for this number? EARTHWORKS PAVING CONTRACTORS, INC.

310 A Kennedy Drive
Capitola CA 95010

When were you organized? 1979 - CORP 2002

If a Corporation, where incorporated? CA

How many years have you been in the contracting business under your current firm name or trade name? 6

State the date bidder first began business 1979

**II. BID FORM
Document 1**

State any other names that bidder has used or done business under in the past five (5) years.

Earthworks

NAMES AND TITLES OF KEY MEMBERS OF FIRM: Ric Straus VP/CS

Stephanie Straus - Pres

(Name of person signing the bid on behalf of the bidder and all general partners, if a partnership, must be included.)

NAME OF PRESIDENT IF A CORPORATION: Stephanie Straus

NAME OF SECRETARY IF A CORPORATION: Stephanie Straus

STATE OF INCORPORATION: CA

CALIFORNIA CONTRACTOR'S LICENSE(S):

Contractor warrants that it either has the required license as indicated or will possess the required license at the time of the award.

Name of License(s):

A

Classification(s)

807689

Number

5/31/08

Expiration Date

(For Joint Ventures, list license or licenses for all Joint Venture partners.)

CORPORATE SEAL:

Identification of contact person during IFB process:

Name: Stephanie or Ric Straus

Address: EARTHWORKS PAVING

Telephone Number: CONTRACTORS, INC.

310 A Kennedy Drive

Fax Number: Capitola CA 95010

831 475 1223

831 475 1173

E-Mail Address: jimp@earthworks paving.com

**II. BID FORM
Document 1**

Acceptance of Terms:

Execution of this Bid Form shall be deemed as acceptance of all the terms and conditions as set forth in the Notice and Invitation of Bids, including but not limited to the Instructions to Bidders (Part I), Bid Form (Part II), General Conditions of Contract (Part III), Special Conditions of Contract (Part IV), Contract (Part V), the FTA Requirements for construction contracts (Part VI), Volumes 2 and 3 of the IFB and the construction drawings.

NAME OF BIDDER'S FIRM:

**EARTHWORKS PAVING
CONTRACTORS, INC.**

Address: _____

310 A Kennedy Drive
Capitola CA 95010

By: Stephanie Straus
(Signature)

Stephanie Straus
(Print)

By: _____
(Signature)

(Print)

(If signature is by other than the sole proprietor, general partner, or corporate officers, attach an original Power of Attorney.)

BID FORM - DOCUMENT 2

**STATEMENT OF BIDDER'S QUALIFICATIONS, EXPERIENCE,
FINANCIAL VIABILITY, AND ABILITY & PROJECT CAPACITY**

(Use Additional Sheets if necessary)

This form must be completed, signed by bidder, and submitted to the Santa Cruz Metropolitan Transit District with the bidder's submitted bid package or no later than 10:00 am on December 15, 2005. Failure to complete, sign and submit this document may result in bidder's submitted bid to be rejected as non-responsive.

The BIDDER is required to state below what work of similar magnitude or character it has completed, and to give a minimum of three (3) references that will enable METRO to judge its experience, skill and business standing and of his/her/its ability to construct the Project as completely and as rapidly as required under the terms of the IFB.

All questions must be answered and the data given must be clear and comprehensive. Provide the nature of the work performed, for whom, amount of contract, dates person or public agency. If necessary, question or other supervising heets. The BIDDER may submit any additional information it believe **EARTHWORKS PAVING CONTRACTORS, INC.**

310 A Kennedy Drive
Capitola CA 95010

1. State the full legal name of the bidder. **EARTHWORKS PAVING CONTRACTORS, INC.**
2. State the name and title of each officer or other legal entity, which has a legal or equitable ownership of ten percent (10%) or more of the bidder. For each such person or legal entity, state that person or entity's ownership interest, and responsibilities, if any. **Stephanie Straus, Pres
Ric Straus VPres**
3. Has any person or legal entity holding a legal or equitable ownership of ten percent (10%) or more of the bidder, ever been accused of a civil violation of California Government Code Section 12650, et seq., (False Claims Act) or 31 United State Code Section 3729, et seq.? If so, describe in detail all facts, circumstances and the outcome. **NO**
4. Has any person or legal entity holding a legal or equitable ownership of ten percent (10%) or more of the bidder, ever been determined by a public agency to not be a responsible bidder? If so, state the name, address and telephone number of the public agency, including the name of the agency's contact person. **NO**
5. For every lawsuit or arbitration between bidder and the owner of construction project, limited to such lawsuits or arbitrations initiated or completed within the past seven (7) years, state the name and address of the tribunal, the matter number, the parties, a general description of the nature of the dispute, and the outcome, if any. **NONE**
6. Within the past seven (7) years, has bidder paid liquidated damages, ever failed to complete a construction project, within the time allowed by the contract, including any agreed upon contract extensions? If so, state the name, address and telephone number of the owner of such construction project including the name of the agencies' contact person, and further, describe in detail the nature of the work of improvement. **NO**
7. Within the last seven (7) years has any surety of bidder ever paid or satisfied any claim against the bidder? If so, state all facts and circumstances, including the name, address and telephone number of surety and all claimants. **NO**
8. Has any surety of bidder ever been called upon to complete a project for the bidder? If so, state all facts and circumstances, including the name, address and telephone number of surety and all claimants. **NO**
9. For each construction project that bidder is either (a) currently furnishing labor, services, materials or goods, or (b) under contract to furnish labor, services, materials or goods, state: A general description of the project; the current status of the project and bidder's work thereon; the owner's name, address and telephone number; the amount of bidder's contract on such project and the scheduled completion date. **SEE ATTACHED 2 PAGES**
10. State bidder's annual gross income for each of the last five fiscal years. **4,200,000.00
4,000,000, 3,800,000, 3,500,000.00 NA**

BID FORM – DOCUMENT 2

11. At a minimum to be responsible, you must meet the following criteria (Documentation must be attached setting forth the Name of Owner, Address, Contact Person, phone number, e-mail address of each project that Bidder claims meet the owner required criteria so that METRO can verify Bidder's experience.):
 - a. The General Contractor or subcontractor thereof shall have completed to the public owner's satisfaction, at least **two (2) public works** projects in the State of California of similar scope, size, and complexity of this project.



**EARTHWORKS PAVING
CONTRACTORS, INC.**
SINCE 1979

Paving & Site Work Reference List

Trinity Presbyterian Church-2007

Contract Amount 26,880.00
Project: Church Parking Lot, Paving and Site Work
Contact: Emily Duffus

County of Santa Cruz-2006

Contract Amount 662,000.00
Project: 14th Avenue Reconstruction
Contact: Joel La Catnin Phone: 454-2799

City of Capitola -2006

Contract Amount: 205,000.00
Project: 46th Avenue Resurfacing
Contact: Steve Jesberg Public Works Director Phone: 475-7300

Cabrillo College - 2005

Contract Amount 500,000.00
Project: Asphalt Paving
Contact: Joe Nugent: Head of Physical Planning Phone: 479-6465

UCSC - McHenry Improvements - 2004

Contract Amount: 80,000.00
Project: Demo, Excavation, Grading,
Contact: Mark Plainfield Construction Phone: 469-8234

Harbor High School - 2004

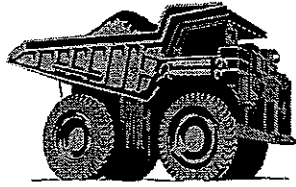
Contract Amount: 120,000.00
Project: Site Work
Contact: Bustichi Construction Phone: 438-2356

State of California - 2004

Contract Amount: 184,000.00
Project: Asphalt Paving Camp grounds
Contact: Felipe Phone: 335-5311

Kelly's Bakery - 2003

Contract Amount: 225,000.00
Commercial Parking Lot : Paving and Site Work
Swift & Ingalls Santa Cruz
General Contractor: F. John Labarba Phone: 423-1109



**EARTHWORKS PAVING
CONTRACTORS, INC.**
SINCE 1979

Underground Utilities

Soquel Creek Water District-2007

La Selva Beach Main Replacement Phase 3
Contact Mike Wilson, 831-458-8501 \$ 922,725.00

County of Santa Cruz-2006

14th Avenue
Storm Drain Reconstruction
Contact Joel La Catnin, 831-454-2799 \$ 662,000.00

Soquel Creek Water District-2006

La Selva Beach Main Replacement Phase 2
Contact Mike Wilson, 831-458-8501 \$ 714,000.00

CSC-Group-2006

Storm Drains
Watsonville CA
Contact Robert Kym, 831-763-6931 \$ 129,000.00

City of Santa Cruz-2006

Plymouth/Fernside Sewer Relocation
809 Center Street
Contact Steve Wolfman, 831-420-5160 \$ 90,000.00

Cabrillo College Building 900 -2005

6500 Soquel Drive Soquel CA
Sanitary Sewer
Contact George Estrada, 831-902-6181 \$ 74,880.00

Santa Cruz High School -2005

California and Walnut Santa Cruz CA
Storm Drain System
Contact Bustichi Construction, 831-438-2356 \$ 70,000.00

County of Santa Cruz -2005

Bostwick Lane Reconstruction
Storm Drain Project
Contact Sheldon Hicks 184,000.00

BID FORM – DOCUMENT 2

THE FOLLOWING CERTIFICATION MUST BE SIGNED BY AN OWNER, GENERAL PARTNER, OR OFFICER OF BIDDER.

I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA, AND DO PERSONALLY CERTIFY AND ATTEST THAT: I HAVE THOROUGHLY REVIEWED THE ATTACHED BIDDER QUALIFICATION QUESTIONNAIRE, AND KNOW ITS CONTENTS, AND CERTIFY THAT THE RESPONSES PROVIDED TO THE BIDDER QUALIFICATION QUESTIONNAIRE ARE TRUTHFUL, COMPLETE AND ACCURATE; AND THAT SANTA CRUZ METROPOLITAN TRANSIT DISTRICT MAY REASONABLY RELY UPON THE CONTENTS AS BEING COMPLETE AND ACCURATE; AND, FURTHER, THAT I AM FAMILIAR WITH CALIFORNIA PENAL CODE SECTION 72 AND CALIFORNIA GOVERNMENT CODE SECTION 12650, ET SEQ, PERTAINING TO FALSE CLAIMS, AND FURTHER KNOW AND UNDERSTAND THAT SUBMISSION OR CERTIFICATION OF A FALSE CLAIM MAY LEAD TO FINES, IMPRISONMENT AND/OR OTHER SEVERE LEGAL CONSEQUENCES. I FURTHER CERTIFY THAT BIDDER MEETS THE MINIMUM QUALIFICATION CRITERIA SET FORTH HEREIN.

Executed on the date indicated below, at the location indicated below.

Dated: 12/13/07

Bidder: EARTHWORKS PAVING
CONTRACTORS, INC.
310 A Kennedy Drive
Capitola CA 95010

By: Stephanie Straus
(Signature)

Stephanie Straus
(Printed name of signor)

President
(Title of signor)

BID FORM – DOCUMENT 3
NON-COLLUSION AFFIDAVIT

(TO BE SIGNED BY BIDDER AND SUBMITTED WITH BID)

Pursuant to Section 7106 of the Public Contract Code,

Stephanie Straus
(Name)

being first duly sworn, deposes and says that he or she is

Pres.
(Title)

**EARTHWORKS PAVING
CONTRACTORS, INC.**

of _____
(Company Name)

310 A Kennedy Drive
Capitola CA 95010

the party making the foregoing bid; the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any Bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the Bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the Bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other Bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the Bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

Stephanie Straus
Signature

**BID FORM - DOCUMENT 4
BIDDER'S BOND**

That we Earthworks Paving Contractors, Inc.

As PRINCIPAL and

Contractors Bonding and Insurance Company As SURETY, are held and firmly bound into the Santa Cruz Metropolitan Transit District herein called "METRO" OR "DISTRICT" the sum of TEN (10) PERCENT OF THE TOTAL AMOUNT OF THE BID of the Principal named above, submitted by said Principal to the METRO for the work described below, for the payment of which lawful money of the United States of America, well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents. In no case shall the liability of the Surety hereunder exceed the sum of \$10 percent of bid amount (10% bid amount)

THE CONDITION OF THIS OBLIGATION IS SUCH,

That whereas the Principal has submitted a Bid No. 08-14 for certain construction specifically described as follows, which is to be opened on December 13, 2007 for Labor and materials for Parking Lot Paving/Grade-Blending and Relate Site Work at 1200 River Street, Santa Cruz, CA.

NOW, IHEREFORE, if the aforesaid Principal is awarded a Contract, and within the time and manner required under the specifications, after the prescribed forms are presented to it for signature, enters into a written Contract, in the prescribed form in accordance with the Bid, and files two bonds with the METRO, one to guarantee faithful performance and the other to guarantee payment for labor and materials, then this obligation shall be null and void, otherwise, it shall be and remain in full force and effect.

In the event that the METRO brings suit upon this bond and judgment is recovered, the Surety shall pay all costs incurred by the METRO in such suit, including a reasonable attorney's fee to be fixed by the court.

California law shall govern the interpretation of this bond.

To be considered complete, both the Bidder and an admitted Surety insurer authorized by the California Insurance Commissioner to transact surety business in the State of California must sign this Bidder's bond. In addition, the Surety's signature must be notarized and a copy of the Surety's power of attorney must be attached.

In witness whereof, WE HAVE HEREUNTO SET OUR HANDS AND SEALS ON THIS 13th DAY OF December, 2007.

Earthworks Paving Contractors, Inc.
310 A Kennedy Drive
Capitola, CA 95010

PRINCIPAL

Stephanie Straus

BY Stephanie Straus

President, Earthworks Paving Contractors, Inc

PRINCIPAL SEAL

Contractors Bonding and Insurance Company

SURETY

Blaine C. Behr

Blaine Brokaw, ^{BY} Attorney-In-Fact

SURETY SEAL

1250 Bayhill Ste 370

San Bruno, CA 94066

ADDRESS OF SURETY

[End of Bidders Bond.]

Part II-9



LIMITED POWER OF ATTORNEY

Not Valid for Bonds

Power of Attorney

Executed On or After: APRIL 30TH, 2008

Number: 127889

READ CAREFULLY - to be used only with the bond specified herein

Only an unaltered original of this Power of Attorney document is valid. A valid original of this document is printed on gray security paper with black and red ink and bears the seal of Contractors Bonding and Insurance Company (the "Company"). The original document contains a watermark with the letters "cbic" embedded in the paper rather than printed upon it. The watermark appears in the blank space beneath the words "Limited Power of Attorney" at the top of the document and is visible when the document is held to the light. This document is valid solely in connection with the execution and delivery of the bond bearing the number indicated below, and provided also that the bond is of the type indicated below. This document is valid only if the bond is executed on or before the date indicated above.

KNOW ALL MEN BY THESE PRESENTS, that the Company does hereby make, constitute and appoint the following: THOMAS E. O'ROURKE, BLAINE C. BROKAW, TRICIA BARRETT and SUSAN MOULTON its true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver on behalf of the Company: (1) any and all bonds and undertakings of suretyship given for any purpose, provided, however, that no such person shall be authorized to execute and deliver any bond or undertaking that shall obligate the Company for any portion of the penal sum thereof in excess of \$10,000,000, and provided, further, that no Attorney-in-Fact shall have the authority to issue a bid or proposal bond for any project where, if a contract is awarded, any bond or undertaking would be required with penal sum in excess of \$10,000,000; and (2) consents, releases and other similar documents required by an obligee under a contract bonded by the Company. This appointment is made under the authority of the Board of Directors of the Company.

CERTIFICATE

I, the undersigned secretary of Contractors Bonding and Insurance Company, a Washington corporation, DO HEREBY CERTIFY that this Power of Attorney remains in full force and effect and has not been revoked, and, furthermore, that the resolutions of the Board of Directors set forth on the reverse are now in full force and effect.

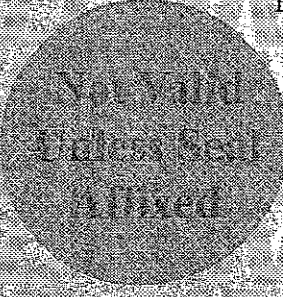
Bond Number BID BOND

Signed and sealed this 13th day of December, 2007

R. Kirk Eland, Secretary

CBIC • 1213 Valley Street • P.O. Box 9271 • Seattle, WA 98109-0271
(206) 622-7053 • (800) 765-CBIC (Toll Free) • (800) 950-1558 (FAX)

PoolPOA-07-US01104



Certificate of Appointment and Resolutions of the Board of Directors

The undersigned President and Secretary of Contractors Bonding and Insurance Company hereby certify that the President has appointed the Attorney(s)-in-Fact identified on the front side of this power of attorney, under and by the authority of the following resolutions adopted by the Board of Directors of Contractors Bonding and Insurance Company at a meeting duly held on December 15, 1993:

RESOLVED, that the CEO, President, CFO, any Vice President, Secretary or any Assistant Secretary, and any other employee as may be specifically authorized by a particular board resolution (hereafter "Authorized Officer or Employee") may appoint attorneys-in-fact or agents with authority as defined or limited in the instrument evidencing the appointment in each case, for and on behalf of the Company, to execute and deliver and affix the seal of the Company to bonds, undertakings, recognizances, and suretyship obligations of all kinds; and any Authorized Officer or Employee may remove any such attorney-in-fact or agent and revoke any power of attorney previously granted to such person.


RESOLVED FURTHER, that any bond, undertaking, recognizance, or suretyship obligation shall be valid and binding upon the Company:

- (i) when signed by the Authorized Officer or Employee and attested and sealed (if a seal be required); or
- (ii) when signed by the Authorized Officer or Employee, and countersigned and sealed (if a seal be required) by a duly authorized attorney-in-fact or agent; or
- (iii) when duly executed and sealed (if a seal be required) by one or more attorneys-in-fact or agents pursuant to and within the limits of the authority evidenced by the power of attorney issued by the Company to such person or persons

RESOLVED FURTHER, that the signature of any Authorized Officer or Employee and the seal of the Company may be affixed by facsimile to any power of attorney or certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the Company (unless otherwise specified in the power of attorney itself); and such signature and seal when so used shall have the same force and effect as though manually affixed

RESOLVED FURTHER, that all previous resolutions of the Board of Directors concerning powers of attorney and attorneys-in-fact remain in full force and effect; that all forms of powers of attorney previously or in the future approved by the Board of Directors, including, but not limited to, so called "fax or facsimile powers of attorney", where the entire power of attorney is a facsimile, remain in full force and effect; and that one form of a power of attorney may be attached to one bond (for example, the form for which this resolution is a part may be attached to a bid bond), and another form of power of attorney may be attached to another bond (for example, a fax power of attorney may be attached to the final bond for a project for which the different form of power was attached to the bid bond) without affecting the validity of either power of attorney or bond.

IN WITNESS WHEREOF, Contractors Bonding and Insurance Company has caused these presents to be signed by its president and secretary, and its corporate seal to be hereunto affixed this 13th day of May, 2004.



Don Sirkin, President



Attest: R. Kirk Eland, Secretary

State of Washington
County of King

On May 13, 2004 before me, Brenda J. Scott Notary Public, personally appeared Don Sirkin and R. Kirk Eland personally known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me all that they executed the same in their authorized capacities and that by their signatures the entity upon behalf of which they acted executed the instrument.

WITNESS my hand and official seal.

Signature Brenda J. Scott

Brenda J. Scott, Notary Public

(seal)



ALL-PURPOSE CALIFORNIA ACKNOWLEDGEMENT

State of California

County of Santa Cruz

} SS.

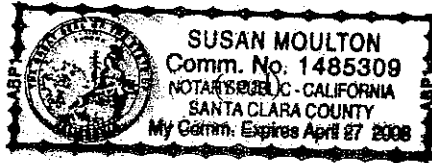
On 12-13-07 before me, Susan Moulton
(DATE) (NOTARY)

personally appeared Blaine Brokaw

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Susan Moulton



*****OPTIONAL INFORMATION*****

The following information is not required by law, however it may be helpful in preventing fraudulent use of this acknowledgement.

DOCUMENT TITLE OR DESCRIPTION _____

DOCUMENT DATE: _____ NUMBER OF PAGES: _____

COMMENTS:

RIGHT THUMBPRINT OF SIGNER

RIGHT THUMBPRINT OF SIGNER

**BID FORM – DOCUMENT 4
BIDDER'S BOND**

That we _____ As PRINCIPAL and _____
_____ As SURETY, are held and firmly bound
unto the Santa Cruz Metropolitan Transit District herein called "METRO" OR "DISTRICT" the sum of TEN (10)
PERCENT OF THE TOTAL AMOUNT OF THE BID of the Principal named above, submitted by said Principal to
the METRO for the work described below, for the payment of which lawful money of the United States of America,
well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and
severally, firmly by these presents. In no case shall the liability of the Surety hereunder exceed the sum of \$ _____

THE CONDITION OF THIS OBLIGATION IS SUCH,

That whereas the Principal has submitted a Bid No. 08-14 for certain construction specifically described as follows,
which is to be opened on December 13, 2007 for Labor and materials for Parking Lot Paving/Grade-Blending and
Relate Site Work at 1200 River Street, Santa Cruz, CA.

NOW, THEREFORE, if the aforesaid Principal is awarded a Contract, and within the time and manner required
under the specifications, after the prescribed forms are presented to it for signature, enters into a written Contract, in
the prescribed form in accordance with the Bid, and files two bonds with the METRO, one to guarantee faithful
performance and the other to guarantee payment for labor and materials, then this obligation shall be null and void,
otherwise, it shall be and remain in full force and effect.

In the event that the METRO brings suit upon this bond and judgment is recovered, the Surety shall pay all costs
incurred by the METRO in such suit, including a reasonable attorney's fee to be fixed by the court.

California law shall govern the interpretation of this bond.

To be considered complete, both the Bidder and an admitted Surety insurer authorized by the California Insurance
Commissioner to transact surety business in the State of California must sign this Bidder's bond. In addition, the
Surety's signature must be notarized and a copy of the Surety's power of attorney must be attached.

In witness whereof, WE HAVE HEREUNTO SET OUR HANDS AND SEALS ON THIS _____ DAY OF _____

PRINCIPAL

BY

PRINCIPAL SEAL

SURETY

BY

SURETY SEAL

ADDRESS OF SURETY

[End of Bidders Bond.]

BID FORM - DOCUMENT 5

CERTIFICATION OF PROPOSED CONTRACTOR REGARDING
DEBARMENT, SUSPENSION AND OTHER INELIGIBILITY AND VOLUNTARY
EXCLUSION

(Contractor) EARTHWORKS PAVING CONTRACTORS, INC. certifies to the best of its knowledge and belief, that it and its 310 A Kennedy Drive Capitola CA 95010

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) EARTHWORKS PAVING, Stephanie Straws, 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.

Stephanie Straws
Signature and Title of Authorized Official

BID FORM – DOCUMENT 6

**CERTIFICATION OF PROPOSED SUBCONTRACTOR REGARDING
DEBARMENT, SUSPENSION AND OTHER INELIGIBILITY AND VOLUNTARY
EXCLUSION**

(Subcontractor) _____ 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.

(Subcontractor) _____, 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.

 **VOID**
Signature and Title of Authorized Official

**BID FORM – DOCUMENT 10
CERTIFICATION REGARDING LOBBYING**

(To be submitted with each bid or offer exceeding \$100,000)

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 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 or 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 [as amended by “Government wide Guidance for New Restrictions on Lobbying,” 61 Fed. Reg. 1413 (1/19/96). Note: Language in paragraph (2) herein has been modified in accordance with Section 10 of the Lobbying Disclosure Act of 1995 (P.L. 104-65, to be codified at 2 U.S.C. 1601, *et seq.*)]
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients 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 2002). Failure to file the required certification shall be subject to a civil penalty of not more than \$100,000 for each such failure.]

The Contractor, **EARTHWORKS PAVING CONTRACTORS, INC.**
310 A Kennedy Drive
Capitola CA 95010

certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understand and agrees that the provisions of 31 U.S.C. A 3801, *et seq.*, apply to this certification and disclosure, if any.

Stephanie Strawn Signature of Contractor's Authorized Official

Stephanie Strawn Name and Title of Contractor's Authorized Official
PRESIDENT

12/15/07 Date

**BID FORM – DOCUMENT 10
CERTIFICATION REGARDING LOBBYING**

NOTE

DISCLOSURE FORM TO REPORT LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

1. Type of Federal Action: <input type="checkbox"/> a. Contract b. Grant c. Cooperative agreement d. Loan e. loan guarantee f. loan insurance	2. Status of Federal Action: <input type="checkbox"/> a. bid/offer/application b. initial award c. post-award	3. Report Type: <input type="checkbox"/> a. initial filing b. material change For Material Change Only: Year _____ Quarter _____ Date of Last Report:
4. Name and Address of Reporting Entity: <input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known Congressional District, if known:		5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime: Congressional District, if known:
6. Federal Department/Agency: Federal Action Number, if known:		7. Federal Program Name/Description: CFDA Number, if applicable: Award Amount, if known: \$
10a. Name and Address of Lobbying Entity (last name, first name, MI): (attach continuation sheet(s) SF-LLL-A, if necessary)	b. Individuals Performing Services (including address if different from No. 10a): (last name, first name, MI):	
11. Amount of Payment (check all that apply): \$ _____ <input type="checkbox"/> Actual <input type="checkbox"/> Planned	13. Type of Payment (check all that apply): <input type="checkbox"/> a. retainer <input type="checkbox"/> b. one-time fee <input type="checkbox"/> c. commission <input type="checkbox"/> d. contingent fee <input type="checkbox"/> e. deferred <input type="checkbox"/> f. other, specify: _____	
12. Form of Payment (check all that apply): <input type="checkbox"/> Cash <input type="checkbox"/> in kind, specify nature Value _____		
14. Brief description of Services Performed and Date(s) of Service, Including officer(s), employee(s), or Members(s) contacted, for Payment Indicated in Item 11: (attach Continuation Sheet(s) SF-LLL-A, if necessary)		
15. Continuation Sheet(s) SF-LLL-A attached: <input type="checkbox"/> Yes <input type="checkbox"/> No		
[Redacted Area]		

**BID FORM - DOCUMENT 10
CERTIFICATION REGARDING LOBBYING**

<p>16. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each failure.</p>	<p>Signature: <u>Stephanie Straws</u> Print Name: <u>STEPHANIE STRAWS</u> Title: <u>PRESIDENT</u> Telephone No.: <u>831.704.1223</u></p>
<p>Federal Use Only:</p>	<p>Authorized for Local Reproduction Standard Form - ILL</p>

**BID FORM – DOCUMENT 11
DISADVANTAGED BUSINESS ENTERPRISE CERTIFICATION**

Name(s) and addresses of DBE firms	Description of Work/ Services/Supplies	Dollar Value	Written confirmation from the DBE firm that it is participating in the contract as stated herein
<i>NONE PROPOSED</i>			

Bidder hereby certifies that the above listed DBE firms will provide the work, services or supplies at the dollar amounts set above if bidder is awarded the construction contract.

Company Name: EARTHWORKS PAVING CONTRACTORS, INC
 Authorized Signature: Stephanie Strawn Date: 12/18/07
 Title: President

.....
 If unable to meet the DBE goal, evidence of good faith efforts to do so shall be provided on sheets attached to this form.

Bidder hereby certifies that the it was unable to meet the DBE goal for this construction contract and has provided evidence of good faith efforts to obtain DBE commitments.

Company Name: _____
 Authorized Signature: _____ Date: _____
 Title: _____

**BID FORM – DOCUMENT 12
STATEMENT OF COMPLIANCE**

EARTHWORKS PAVING CONTRACTORS, INC
(Company Name)

(hereinafter referred to as "Prospective Contractor") hereby certifies that during the performance of this contract, contractor and its subcontractors shall not unlawfully discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, disability, medical condition, marital status, age (over 40) or sex. Contractors and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination. Contractors and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et. seq.) and the applicable regulations promulgated thereunder (Cal. Admin. Code, Tit. 2, Section 7285.0 et. seq.) both of which are incorporated into this contract by reference and made a part hereof as if set forth in full. Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the contract.

I, Stephanie Straus, Pres.
(Name of Official)

hereby swear that I am duly authorized to legally bind the Prospective Contractor to the above-described certification. I am fully aware that this certification, signed on

12/15/07
(Date)

in the County of Santa Cruz, is made under the penalty of perjury
(County)

under the laws of the State of California.

Stephanie Straus
(Signature)

Stephanie Straus
(Print)

President
(Title)

BID FORM – DOCUMENT 13
APPRENTICESHIP EMPLOYMENT CERTIFICATION

APPRENTICESHIP

For each craft or trade utilized in performing the tasks required under this contract, each contractor or subcontractor performing work on this project shall employ apprentices on the project, in the ratios required by California statute, Section 1777.5 and 1777.6 of the Labor Code and the regulations of the California Apprenticeship Council, who are enrolled and participating in an apprenticeship program that has graduated apprentices annually for at least the past five (5) years. This requirement applies to any craft used on the project for which the State of California Department of Industrial Relations, Division of Apprenticeship Standards, has approved an apprenticeship program.

The graduation requirement for each of the preceding five (5) years shall not apply to any apprenticeship program not recognized or approved by the Department of Labor and/or Division of Apprenticeship Standards as an apprenticeable occupation for at least nine (9) years immediately prior to December 13, 2007 providing that the program has graduated apprentices each year following the fifth anniversary of its recognition or approval.

In the event that there is no state-approved apprenticeship program that meets requirements of this provision for a particular craft or trade utilized under this contract for the MetroBase Project, the Contractor shall be exempt from the requirement of this provision for that craft or trade only.

APPRENTICESHIP EMPLOYMENT CERTIFICATION

Under the laws of the State of California, the undersigned declares, under penalty of perjury, compliance with the apprentice programs described in the Special Conditions for the workforce employed by Contractor or any subcontractor under the contract for Specification for the MetroBase Project.

Contractor: EARTHWORKS PAVING
By: CONTRACTORS, INC.
Date: 310 A Kennedy Drive
Title: Capitola CA 95010

Stephanie Straw
12/15/07
Prez.

**BID FORM – DOCUMENT 14
WORKERS' COMPENSATION CERTIFICATION**

I, as the Contractor for the MetroBase Project, am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this Contract, if I am selected as the Contractor.

Contractor: EARTHWORKS PAVING
By: CONTRACTORS, INC.
Date: 310 A Kennedy Drive
Capitola CA 95010
Title: _____

Stephanie Strawn

12/15/07

P.C.S.

**BID FORM – DOCUMENT 15
CONFLICT OF INTEREST STATEMENT**

The Bidder certifies that:

1. The Bidder has not employed in connection with services to be performed by the Contract a current or former METRO employee who was directly or indirectly involved with this procurement;
2. The Bidder has not employed in connection with the services to be performed by the Contract a current or former employee of RNL who was directly or indirectly involved in the preparation of the specifications or this IFB;
3. The Bidder did not receive any confidential information in connection with the services to be performed by the Contract; and
4. The Bidder has not employed as a lobbyist any former METRO Board Member or employee who left the METRO within the last twelve (12) months.

The Bidder further certifies that it has set forth below the names of all current and former METRO persons identified including METRO Board Members, employees it has or intends to employ in connection with the services to be performed under the Contract.

Current and/or former METRO Board Members, alternatives, or employees:

_____	_____
_____	_____
_____	_____
_____	_____

I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct.

Executed on 12/15, 2007 at Capitola, CA
(Date) (City) (State)

Stephanie Straus Stephanie Straus Pres.
Typewritten or Printed Name Signature of Authorized Official Title

**BID FORM – DOCUMENT 15
CONFLICT OF INTEREST STATEMENT**

CONFLICT OF INTEREST CHECKLIST

All Bidders must respond to each of the following questions to determine whether any actual or perceived conflict of interest may exist. If any response has a "yes" answer, provide accurate and complete information for analysis.

1. Have you or any of your team member(s) or consultant(s) ever been employed by, or done work for, the METRO? Yes No

If your answer is "Yes", please provide the additional information.

- | | | | |
|----------------------------|------------------------------|-----------------------------|----------------|
| • Full-time employee | Yes <input type="checkbox"/> | No <input type="checkbox"/> | Name(s): _____ |
| • Part-time employee | Yes <input type="checkbox"/> | No <input type="checkbox"/> | Name(s): _____ |
| • As-Needed employee | Yes <input type="checkbox"/> | No <input type="checkbox"/> | Name(s): _____ |
| • Consultant | Yes <input type="checkbox"/> | No <input type="checkbox"/> | Name(s): _____ |
| • Or other, please explain | Yes <input type="checkbox"/> | No <input type="checkbox"/> | Name(s): _____ |

-
- Dates of Employment/consulting contract:

-
- In which department(s) did you work?

-
- Who was your supervisor(s)/who did you supervise?

-
- Please describe your job duties and responsibilities or consulting work for each METRO position held:

-
- Last date of employment or consultant contract:

-
2. Are any METRO Board Member(s) or any of their staff presently serving as officers, partners, or shareholders in your company? Yes No

If the answer is "Yes", please provide the additional information:

- Name(s) of Board Members:

-
- What is his/her position with your company?

-
- Percentage of ownership of company shares:

BID FORM – DOCUMENT 15
CONFLICT OF INTEREST STATEMENT

3. Are any of your former employee's or consultant's presently employed by the MBTRO? Yes No

If the answer is "Yes", please provide the additional information:

• Name(s) of each former employee:

• All titles of each former employee:

• Description of job duties:

• Dates of employment or date consultant worked for you:

4. In the preceding twelve months, has the Bidder/Proposer made, arranged or delivered any gift(s) to any METRO Board Member? Yes No

If the answer is "Yes", please provide the additional information:

• Name of Board Member receiving the gift:

• Value of the gift:

• Description of the gift:

• Date the gift was delivered:

5. In the preceding forty-eight (48) months, has your company made, arranged or delivered any campaign contributions to any METRO Board Member? Yes No

If the answer is "Yes", please provide the additional information:

• Name of Board Member receiving the contribution:

• Name of Board Member receiving contribution:

• Amount of the contribution:

**BID FORM – DOCUMENT 15
CONFLICT OF INTEREST STATEMENT**

• Description of form of contribution (i.e. cash, check):

• Date the contribution was delivered:

• To whom was the contribution delivered:

I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct

Executed on 12/15, 2007 at Capitola, CA
(Date) (City) (State)

Stephanie Straws Stephanie Straws President
Typewritten or Printed Name Signature of Authorized Official Title