

TRANSPORTATION AGREEMENT FOR THE PROVISION OF FIXED
ROUTE SHUTTLE SERVICES AND DIAL-A-RIDE SERVICES FOR THE
CITY OF WEST COVINA

THIS AGREEMENT is entered into this 5th day of June, 2001, by and between the CITY OF WEST COVINA, hereinafter referred to as the "City", and R & D TRANSPORTATION SERVICES, LLC, hereinafter referred to as the "Contractor" or "operator".

WITNESSETH:

WHEREAS, the City has determined that it requires management, operation and maintenance services for the fixed route shuttle service and Dial-A-Ride service to provide transportation services to the general population; and

WHEREAS, City has circulated a Request for Proposals for Fixed Route Shuttle and Dial-a Ride Transportation Services, which is attached hereto as Exhibit "A" and incorporated herein by reference; and

WHEREAS, Contractor has submitted its proposal entitled Response to Request for Proposal For Operation of City of West Covina Transit Fixed Route & Dial-A-Ride Services, dated January 19, 2001, attached hereto as Exhibit "B", and incorporated herein by reference; and

WHEREAS, the Contractor has represented that it has the necessary expertise, personnel and qualifications to provide the requested service; and

NOW, THEREFORE, it is mutually understood and agreed as follows:

ARTICLE 1

COMPLETE AGREEMENT, PRECEDENCE OF DOCUMENTS

This Agreement and the attached forms and documents referred to herein and incorporated herein by reference, and the Request for Proposal (Exhibit "A") and Proposal (Exhibit "B") submitted by the Contractor dated January 19, 2001, constitute the complete and exclusive Agreement between the City and the Contractor (Contract Documents) and supersede all prior representations, understandings, and communications. The invalidity in whole or in part of any provision of this Agreement shall not affect the validity of other provisions. The City's failure to insist in any instance upon the performance of any term or terms of this Agreement shall not be construed as a waiver or relinquishment of the City's right to such performance by the Contractor. Except as otherwise allowed hereunder, any amendment shall be in writing and signed by both parties.

Any conflict, omission or difference in the Contract Documents shall be subject to the following order of precedence of Contract Documents, if the City and Contractor cannot resolve the issue through informal discussions:

1. This Agreement
2. Request for Proposals (Exhibit "A"), hereinafter the "RFP"

3. Proposal (Exhibit "B")

ARTICLE 2
AUTHORIZATION TO ACT

The Community Services Director of West Covina shall have the authority to act for and exercise any of the rights of the City as set forth in this Agreement upon the authorization therefore by the West Covina City Council.

ARTICLE 3
INDEPENDENT CONTRACTOR

The Contractor's relationship to the City in the performance of this Agreement is that of an independent Contractor. The personnel performing services under this Agreement shall be deemed, for all purposes, to be the Contractor's employees and not agents or employees of the City. The contractor shall pay all wages, salaries and other amounts due its employees for services and goods rendered by said employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, including but not limited to worker's compensation benefits.

ARTICLE 4
TERM OF THE AGREEMENT

This Agreement shall commence on _____, 2001 and shall terminate _____, 2005, unless earlier terminated pursuant to Article 11 below. The Agreement may be extended thereafter for one more year upon mutual agreement of the parties without soliciting proposals. The parties also, upon negotiated written amendment hereto, may extend and/or modify the reimbursement rate, levels of service, types of services, change of vehicles, or any other terms which the parties determine necessary.

ARTICLE 5
STATEMENT OF SERVICES

A. GENERAL

The Contractor shall provide all management and operational functions necessary for the success of the West Covina Shuttle and Dial-A-Ride services (hereinafter the "Service" or "Services"). The Contractor shall provide the Services in the manner and to those areas identified on Exhibit "A" attached hereto and incorporated herein by this reference.

B. FIXED ROUTE SHUTTLE/METROLINK EXPRESS SYSTEM

The fixed route shuttle system will provide residents of West Covina with an improved service for travel within the City for shopping, business, recreational purposes, as well as

large employment providers. Locations within the City include: the Citrus Valley Hospital-Queen of the Valley Campus, Eastland Shopping Center, Central Business District, Civic Center, Westfield Shopping Town, Cortez Park/Senior Center. Additionally, the Metrolink Express service will provide improved access to other transit services available in the City including Metrolink and MTA's and Foothill Transit's fixed route bus services. Currently, the City of West Covina is reviewing the possibility of augmenting the fixed route service to encompass an unmet transit population on the south-end of the City. If awarded the contract, the contractor will work in cooperation with the City to meet this unmet service need.

Specific requirements are as follows:

SHUTTLE

Hours of Service - The fixed route (**Red and Blue Line**) shuttle is 17.0 service miles and will provide two (2) vehicles per line 136,072 ridership per year. The service will operate every thirty (30) minutes from 6:30 a.m. until 4:00 p.m. and will continue (1) vehicle per line every hour (60) minutes from 4:00 p.m. until 8:00 p.m. in a bi-directional loop (Red and Blue Line). The shuttle will operate on the following days:

Monday – Friday:	6:30AM to 8:00PM
Saturday and Sunday:	10:00AM to 3:00PM

Expect the following Holidays: Christmas Day, New Year's Day, and Thanksgiving Day

Hours of Service – The fixed route (**Yellow and Green Line**) shuttle is 10.0 service miles and will operate two vehicle(s) each in opposing direction every forty-five (45) minutes from 6:30 a.m. until 4:00 p.m. and will continue every hour (60) minutes from 4:00 p.m. until 8:00 p.m. The shuttle will operate on the following days:

Monday – Friday:	6:30AM to 8:00PM
Saturday and Sunday:	10:00AM to 3:00PM

Expect the following Holidays: Christmas Day, New Year's Day, and Thanksgiving Day

METROLINK

Hours of Service – The **Metrolink Express to the Baldwin Park Station** is 9.0 service miles and will provides approximately 4,145 ridership per year. The Metrolink Express schedule is coordinated to depart and arrive in conjunction with the most current Metrolink schedule. The shuttle will operate on the following days: Monday – Friday: Schedule TBA

Hours of Service – **The Metrolink Express to the Covina Station** is 2.0 service miles and is estimated to provide approximately 4,145 ridership per year. The Metrolink Express schedule is coordinated to depart and arrive in conjunction with the current Metrolink schedule. The shuttle will operate on the following days: Monday – Friday: Schedule TBA

1. Collection of Fares - All fare(s) will be charged to each rider and the operator will be responsible for collecting all cash fares.
 - (a) The total fare amount collected by the contractor shall be listed and deducted from the monthly billing statement to the City.
 - (b) Fares will be posted in all vehicles. Fares may be decreased or increased after approval by the City and upon written amendment of this Agreement.
2. Fuel – City shall provide Propane or CNG for vehicles used in providing these services. The cost of fuel should not be reflective in Hourly Rate Charges. If contractor cannot provide alternative fuel vehicles for fixed route and Metrolink service, the gasoline vehicles must meet AQMD Rule 1191 for ultra-low emission vehicles. The Contractor is exempt from this provision only until permanent vehicles have been delivered from the manufacturer.
3. Heating/Air Conditioning – Heating and air conditioning shall be maintained in good working order at all time in all vehicles at a level approved by the City.
4. Grab Rails – All vehicles shall have grab rails installed to assist persons who are entering and exiting the vehicle with or without the use of the wheelchair lift, and who are inside vehicle.
5. Safety Features – Every vehicle shall be equipped with a first aid kit, fire extinguishers, QRT wheelchair tide-down mechanisms and other safety features as required by the City. All equipment installed will meet Americans with Disabilities Act (ADA).
6. Radios/Cellular Phones – All vehicles shall be equipped with a two-way radio system or cellular phone capable of communicating with the main base station.
7. Cleaning – All vehicles shall be cleaned on the inside and outside daily. Vehicle exteriors shall be washed a minimum of two (2) times a week and after every rain. Vehicle interiors shall be swept prior to each day's service. Windows shall be washed and floors mopped and vacuumed a minimum of two (2) times a week or more often as needed. Graffiti and other vandalism will be removed on a daily basis prior to start of service.
8. Telephone – The contractor shall provide a local (non-toll) telephone number for communication between the contractor's dispatcher personnel, site manager and the parties served by this Agreement. The contractor shall provide sufficient (non-toll) telephone lines to minimize busy signals and maximize response to persons calling for information. The period for telephone wait time will not exceed 10 minutes in length liquated damages shall be applied, \$50.00 per incident; if it exceeds 15 minutes \$100.00 per incident shall be applied, and \$2.00 per minute thereafter, owed to the City or deducted from monthly bill.

9. Signs – “NO SMOKING” and “FOR YOUR SAFETY PASSENGERS MUST REMAIN SEATED UNTIL THE VEHICLE COMPLETELY STOPS” and “NO EATING, NO DRINKING, NO MUSIC” and the “OPERATORS NAME” and “OPERATORS ID NUMBER” and “BUS NUMBER” and “TELEPHONE NUMBER” to register complaints, comments and suggestions. The signs will be installed and maintained inside each vehicle in full view of all passengers. A “No Smoking” policy shall be enforced. Other signs may be requested by the City.
10. Vehicles - The operator will be required to provide six (6) vehicles for the daily shuttle operation. Additionally, a (1) spare must be available when a regular vehicle is taken out of service. Vehicles are required to be new and ADA compliant, with parameter seating and a minimum seating capacity of 18 plus (2) wheelchair QRT tie-down system and ramp including lift. Vehicles should have bike-racks in front of the vehicle, overhead storage and City logo and be equipped with two-way radios or cellular phone. The spare vehicle may be a used vehicle that is still in good operating condition.
11. Advertisement – The City of West Covina will be exploring the opportunity to advertise City programs and events, as well as entrepreneurial ventures that would benefit the City of West Covina.
12. Global Positioning Systems (GPS) – All fixed route vehicles will be equipped with state-of-the-art GPS, that provides real-time indication and location to monitor and document fixed route needs. The GPS will be an integrated system utilizing mapping features and kiosk capabilities. In addition, the contractor will provide a monitor for City staff.
13. All vehicles and equipment shall conform with all applicable laws, including without limitation, the Federal Motor Vehicle Safety Standards, California Vehicle Safety Standards, California Vehicle Code, and California Administrative Code, Title 13 and the California Highway Patrol Motor Carrier Safety Regulations. The Contractor is required to obtain and affix a certification to each vehicle which certifies that each unit meets or exceeds all state and federal requirements as of the date of manufacture.

C. DIAL-A-RIDE SERVICE

Specific requirements are as follows:

1. Provide daily transportation to City residents - The operator will be expected to provide six (6) vans/minibuses (4) to be dedicated to the City of West Covina and; two (2) dedicated to the unincorporated portion of Los Angeles County to provide trips for both same-day service, as well as, trips being scheduled one or more days in advance. The Dial-A-Ride service area encompasses the City of West Covina, portion(s) of the Los Angeles County (see map in RFP) and five miles beyond service area for medical appointments only. Persons will be

encouraged to call for service a day in advance. All trips must be requested individually which means that no standing orders should be scheduled on service. Standing orders or subscription trips should be scheduled using the vans/minibuses.

2. Eligible users – Dial-A-Ride service is primarily intended to serve the City's elderly and disabled population, especially those persons who do not qualify under the Americans with Disabilities Act (ADA) for Access Services.
3. Hours of Service – Dial-A-Ride service shall be restricted to the following hours:

Monday – Friday:	8:00AM to 6:00PM
Saturday and Sunday:	8:00AM to 12:00PM
4. Amount of Service to be Provided - Approximately 41,478 trips will be provided over a one-year period. The City will limit the number of trips it provides per day so that service will be available throughout the week/month/year. To ensure that service is available throughout the year, the City may restrict the number of trips that any person can ride through the issuance of payment mechanism.
5. Collection of Fares - A fare(s) will be charged to each rider and the operator will be responsible for collecting all cash fares.
 - (a) The total fare amount collected by the contractor shall be deducted from the monthly billing statement to the City.
 - (b) Fares will be posted in all vehicles. Fares may be decreased or increased after approval by the City and upon written amendment of this Agreement.
6. Fuel – City shall provide fuel (Propane) for vehicles used in providing these services. The Cost of fuel should not be reflective in Hourly Rate Charges. If contractor cannot provide alternative fuel vehicles for Dial-A-Ride service, the gasoline vehicles must meet AQMD Rule 1191 for ultra-low emission vehicles. The Contractor is only exempt from this provision until permanent vehicles have been delivered from the manufacturer.
7. Heating/Air Conditioning – Heating and air conditioning shall be maintained in good working order at all times in all vehicles at a level approved by the City.
8. Grab Rails – All vehicles shall have grab rails installed to assist persons who are entering and exiting the vehicle with or without the use of the wheelchair lift, and who are inside vehicle.
9. Safety Features – Every vehicle shall be equipped with a first aid kit, fire extinguishers, wheelchair tie-down mechanisms and other safety features as required by the City. All equipment installed will meet Americans with Disabilities Act (ADA).
10. Fare Boxes – All vehicles shall be equipped with fare boxes which provide a secure method for collecting fares.
11. Radios/Cellular Phones – All vehicles shall be equipped with a two-way radio system or cellular phone capable of communicating with the main base station.

12. Cleaning – All vehicles shall be cleaned on the inside and outside daily. Vehicle exteriors shall be washed a minimum of two (2) times a week and after every rain. Vehicle interiors shall be swept prior to each day's service. Windows shall be washed and floors mopped and vacuumed a minimum of two (2) times a week or more often as needed. Graffiti and other vandalism will be removed on a daily basis prior to start of service.

13. Telephone – The contractor shall provide a local (non-toll) telephone number for communication between the contractor's dispatcher personnel, site manager and the parties served by this Agreement. The contractor shall provide sufficient (non-toll) telephone lines to minimize busy signals and maximize response to persons calling for information. The period for telephone wait time will not exceed 10 minutes in length. Liquated damages shall be applied, \$50.00 per incident; if it exceeds 15 minutes \$100.00 per incident shall be applied, and \$2.00 per minute thereafter, owed to the City or deducted from monthly bill.

14. Signs – "NO SMOKING" and "FOR YOUR SAFETY PASSENGERS MUST REMAIN SEATED UNTIL THE VEHICLE COMPLETELY STOPS" and "NO EATING, NO DRINKING, NO MUSIC" and the "OPERATORS NAME" and "OPERATORS ID NUMBER" and "BUS NUMBER" and a "TELEPHONE NUMBER" to register complaints, comments and suggestions. The signs will be installed and maintained inside each vehicle in full view of all passengers. A "No Smoking" policy shall be enforced. Other signs may be requested by the City.

15. Vehicles - The operator will be required to provide six (6) vehicles for the Dial-A-Ride operation. Additionally, a spare should be available when a regular vehicle is taken out of service. Vehicles should be new, with parameter seating and a minimum seating capacity of 8 plus (2) wheelchair QRT tie-downs system, overhead storage and be equipped with two-way radios and cellular phone.

16. Global Positioning Systems (GPS) – All Dial-A-Ride vehicles will be equipped with state-of-the-art GPS, that provides real-time indication and location to monitor and document fixed route needs. The GPS will be an integrated system utilizing mapping features and kiosk capabilities. In addition, the contractor will provide a monitor for City staff.

17. All vehicles and equipment shall conform with all applicable laws, including without limitation, the Federal Motor Vehicle Safety Standards, California Vehicle Safety Standards, California Vehicle Code, and California Administrative Code, Title 13 and the California Highway Patrol Motor Carrier Safety Regulations. The Contractor is required to obtain and affix a certification to each vehicle which certifies that each unit meets or exceeds all state and federal requirements as of the date of manufacture. The contractor shall participate in and comply with the DMV Pull Notice Program. The contractor shall pay for all applicable license fees for drivers, other personnel and vehicles.

D. INSPECTION

1. The City reserves the right to inspect, examine and test, or cause such inspection, examination or testing of any dedicated vehicle and/or its equipment at any time to assure the compliance with all applicable laws and this Agreement. The Contractor shall transport any vehicle providing Services under this Agreement to a City-designated inspection facility at the Contractor's expense upon the City's request. Each vehicle, at minimum, must be inspected annually by the CHP (California Highway Patrol) and/or by any other agency at the frequencies required by State law.

The City may also inspect the vehicles. The City shall be notified of inspections performed by a governmental agency other than the City which meet or exceed the criteria for inspection established by the City. The results of those inspections shall be transmitted to the City.

2. Upon request by the City or any regulatory agency, the Contractor shall immediately remove from service, and replace or repair any equipment or vehicle which is deemed inadequate or defective as a result of mechanical failure or non-compliance of the Vehicle Specifications.

E. VEHICLE LEASE

1. This agreement does not provide for the lease of vehicles by City from Contractor. Contractor shall be solely responsible for procuring by purchase, lease, rental or other means, sufficient vehicles to perform the provisions of this Agreement.

F. SERVICE ADJUSTMENTS

The days, hours and types of service set forth in this Agreement may be adjusted at any time by the City upon thirty (30) days written notice to the Contractor. Adjustments may include (but are not limited to) increasing or decreasing service hours and/or days of operation, and adding or deleting the number of in-service vehicles. The City may vary annual service hours by up to ten percent (10%) without changing the hourly compensation to be paid the Contractor hereunder.

Contractor specifically acknowledges and understands that a part of the Dial-A-Ride service provided pursuant to this Agreement is being used by the County of Los Angeles, pursuant to a separate Contract between the City of West Covina and the County of Los Angeles. The County of Los Angeles has the option to terminate that Contract which would result in a loss of service and a loss of income to City and Contractor. In the event of such termination by the County of Los Angeles, Contractor agrees that City reserves the right to make appropriate proportionate adjustments in the levels of service and compensation to Contractor.

G. OFFICES

The Contractor shall provide an office in the City of West Covina.

H. DOCUMENTS PROVIDED BY THE CONTRACTOR

The Contractor shall provide the City with the following documents throughout the term of this Agreement:

1. Written vehicle inspection check lists in the form set out by the City;
2. Wheelchair lift certificates;
3. Driver and dispatcher training manuals, as requested;
4. Certificates of insurance as required by Article 7;
5. Monthly performance reports as required by the City;
6. Unusual occurrence and all accident and injury reports, which shall be submitted within twenty-four (24) hours of the occurrence, including but not limited to, any "unsatisfactory" rating in a California Highway Patrol inspection program.

I. PERSONNEL

1. Contractor's Personnel

The contractor shall be solely responsible for the satisfactory work performance of all employees as described by the RFP or any reasonable performance standard established by the City. The contractor shall be solely responsible for payment of all employees' wages and benefits and subcontractors' costs. Without any additional expense to the City, the contractor shall comply with the requirements of employee liability, worker's compensation, employment insurance and Social Security and the Los Angeles County Living Wage. The contractor shall hold the City harmless from any liability, damages, claims, costs and expenses of any nature arising from alleged violations of personnel practices. The City shall have the right to demand removal from the program, for reasonable cause, of any personnel furnished by the Contractor. The City must be notified promptly of new hires or reassignments of program personnel.

Contractor shall include resumes and references of personnel assigned to West Covina program who will play critical roles in the provision of service. A responsible (Program Manager) senior level employee of the contractor must be available at all times, either by telephone or in person, to make decisions or provide coordination as necessary.

2. Vehicle Operators

Vehicle operators shall work on a schedule that will ensure a consistent and overall high quality of service. Vehicle operators must have at least a valid California Class 11 or Class B (with appropriate endorsements) Driver's License and Medical Examination Certificate, and CPR Certification, as well as, any other licenses required by applicable federal, state and local regulations. All vehicle operators must meet the minimum standards listed below:

- a. Not having been convicted of driving while intoxicated or under the influence of controlled substances within the preceding five years, or not have criminal charges

pending for an offense for driving while intoxicated or under the influence of controlled substances.

- b. Not be addicted to the use of alcohol or controlled substances.
- c. Not be subject to outstanding warrants for arrest.
- d. Able to read, write and speak English. Bilingual skills in Spanish or other languages are highly desirable.
- e. Thorough knowledge of the service area street network.
- f. Sensitive to passengers' needs, including assisting passengers, upon their request.
- g. Able to handle complaints and problems as required.

Vehicle operators must be trained in all operational procedures relating to the system. Training must include techniques for dealing with the public in a helpful and courteous manner, basic information about the route and the City of West Covina, and sensitivity and empathy training directed towards the needs of elderly and disabled passengers, in compliance with the Americans with Disabilities Act. Contractor shall describe how it will maintain an ongoing employee safety and training program.

Vehicle operators shall be trained to operate all types of vehicles, wheelchair lifts, ramps, and securing all systems, as well as, other equipment which they may be expected to use in the Dial-A-Ride and/or fixed-route services. This requirement pertains to all vehicle operators, both regularly assigned and relief vehicle operators.

While performing their duties on the route, vehicle operators must maintain a clean and neat appearance and must be in a uniform acceptable to the City. Uniform shall include both shirt/blouse and slacks. Operators shall wear nametags with an identification number dedicated to that sole driver, clearly displaying their names while performing their duties. While jackets and hats are not required, they should, if worn, match the uniform, and jackets should display the drivers' name tag and id number.

The contractor shall conduct pre-employment DMV (Department of Motor Vehicles) checks of all personnel hired for service and shall join the California DMV Pull Notice Program, whereby the contractor shall be notified of any activity on a vehicle operator's driving record. Any operator exceeding the California DMV point system or with a revoked or suspended license will not be allowed to operate the City's service. Contractor shall notify the City of the results of these checks and whatever corrective actions taken, if any. Any voluntary drug testing and/or surveillance efforts on the part of the contractor shall be described in the proposal and explained to vehicle operators.

The contractor shall have capable and courteous personnel who are responsible for taking Dial-A-Ride requests and responding to telephone inquiries regarding transportation services. Bilingual (Spanish) or other languages dispatchers are highly desirable.

3. Maintenance Staff

The contractor shall supply a sufficient number of properly qualified personnel to maintain and service all contractor-provided equipment used for the City's service.

The contractor shall ensure all mechanics are properly trained in the operation and maintenance of the vehicles and equipment specified in the scope of the program. The contractor shall provide mechanics with ongoing training in order to keep abreast of new maintenance techniques and equipment. The total number of annual training hours required for each mechanic shall be specified in the proposal.

J. GENERAL VEHICLE EQUIPMENT

The contractor shall provide one back-up vehicle with a minimum of 18 passenger seats plus wheelchair tie-downs, overhead storage and a bike rack for the fixed-route and Dial-A-Ride service. All vehicles must satisfy ADA requirements. If Contractor wishes to provide different vehicles, they shall describe the proposed fleet in detail, showing how the fleet meets ADA requirements and the service needs of the City. **In-service vehicles shall be new, but back-up vehicles in good condition may be up to two years old.**

All vehicles and vehicle equipment required by this RFP shall be maintained by the contractor in good repair and in a condition satisfactory to the City. The contractor shall assume all responsibility for the proper maintenance of the vehicles.

It shall be the expressed responsibility of the contractor to assume all coordination with the original manufacturer of the vehicles if necessary to keep the vehicles in safe and good operating condition. This shall include negotiating and processing all vehicle warranty claims through the manufacturer's own warranty department, and is responsible for collection of any monies, extended warranties, or credits as a result, for the length of time the warranty is in effect.

The extent of the proposed preventive maintenance program shall be an important consideration in the selection of the contractor. Each vehicle must receive a daily pre-trip inspection by the operator prior to being placed in service. Daily pre-trip inspections must be supplemented by regular time and mileage maintenance inspections to ensure safe and proper operating condition of vehicles. A record of all such inspections shall be kept by contractor and made available to the City.

Preventive maintenance inspections must be performed in accordance with manufacturer recommendations but shall not exceed 45 days or 3,000 miles for an "A" inspection. A "B"

inspection shall be performed at 90 days or 15,000 miles and a "C" inspection shall be performed each 12 months or 30,000 miles. The contractor shall be responsible for correcting all deficiencies found during these inspections.

Preventive maintenance inspections and servicing shall occur not less than every 3,000 miles or thirty days, whichever is less. The contractor shall specify the preventive maintenance program for all vehicles used in this service.

A mechanic/certified driver must inspect each vehicle after it completes its daily service to ensure all lights are functioning, all seating is secure and that all tires, wheels, lugs, air brake systems, wheelchair lifts and exit doors are in proper operating condition.

Prior to entering into the contract, the contractor will be required to provide painting and current City of West Covina logo and design for each vehicle utilized in the fleet. The City of West Covina will provide the paint color-scheme and logo design for each of the services.

K. VEHICLE FACILITIES

The contractor with the cooperation of the City shall provide and maintain appropriate vehicle storage facilities within the City limits of West Covina for the garaging/parking and maintenance within the City of West Covina. The contractor shall locate under the auspices of the City, storage facilities to be acquired. The contractor shall indicate what actions will be taken to perform services in those site(s) prior to the start of service. Contractor may use facility outside of the City limits only if travel time is not included in billable service hours. More information will be provided the mandatory pre-bid meeting.

At all times, the contractor shall maintain all components of each vehicle including its body, frame, wheelchair lift, furnishing, mechanical, electrical, hydraulic or other operating systems in proper working condition free from damage and malfunction. The contractor shall replace and repair immediately any vehicle damaged in any accident or otherwise damaged which impairs the proper and safe mechanical operation of the vehicle.

Recognizing that the safety of the passengers is paramount, the contractor's maintenance staff shall **not**:

1. Install mismatched tires;
2. Perform partial brake relines without determining the cause of abnormal or premature wear;
3. Allow tires to wear more than 3/32 tread depth;
4. Replace a dead battery without testing charging system to ensure the battery will not go dead due to system malfunction;

5. Fail to ensure on a daily basis that each vehicle is in proper condition to pass all scheduled and unscheduled inspections; and
6. Allow any reported wear item to go unrepaired that would not hold up until the next scheduled inspection. The emphasis must be on preventing breakdowns.

The contractor, at its sole cost and expense, shall maintain stores of and provide lubricants, repairs, parts and supplies required for the maintenance and operation of all vehicles utilized in providing services.

Vehicles must be kept clean including exterior washing at least twice weekly and after every rain, with the vehicle interiors swept or vacuumed daily to remove all dirt and debris. All painted graffiti must be removed each day so that no vehicle leaves the storage facility with any graffiti. Etching on windows must be removed and replaced as soon as practical but no later than one month. Contractor shall track and record all damages due to vandalism; records shall include vandalism type, date, time, location, when repaired/replaced, cost, etc.

The contractor shall maintain an individual file for each revenue vehicle to include date of action and all preventive maintenance functions including warranty work and any other pertinent maintenance data, including but not limited to fuel, lubricants and other fluid use.

The contractor shall dispatch a spare vehicle in the event of a vehicle breakdown. The maximum allowable response time from the moment a trouble call is received until a substitute vehicle arrives will be established by the City.

The contractor shall install a two-way radio communications system or cellular phone for both the fixed-route and Dial-A-Ride vehicles that will allow for the timely and efficient dispatching, coordinating and responding to service calls. The system may be of the contractor's choice. The radio communication system must cover the routes of service, storage and maintenance facilities and the dispatch location without dead spots. Each revenue service vehicle, as well as, each administrative vehicle shall have a receiver/transmitter installed and operational. In addition, two (2) hand-held mobile units with a charger or fixed base station shall be provided for the City, for the purpose of providing communications between the dispatch office and revenue service vehicles during emergencies. The contractor shall be responsible for maintenance of the radio equipment to keep it in good operating condition, and must comply with all applicable federal statutes and regulations in connection with its use.

The contractor shall ensure that the requirements and procedures for towing buses are followed and the proper towing equipment is used. Towing may be subcontracted; however, it is the contractor's responsibility to supervise the subcontractor. The contractor shall notify the City of all accidents, both by telephone (within four hours) and in writing (by the close of the next business day).

L. OPERATIONAL EMERGENCIES

The contractor shall be responsible for the enforcement of policies with regard to operational emergencies. The City may revise or establish additional policies. The contractor shall be responsible for the handling and resolution of all operational emergencies and contingencies including, but not limited to, the following:

1. Hazardous Conditions

Vehicle operators shall report all hazardous road conditions (i.e., downed trees, missing bus signs, graffiti on bus benches, malfunctioning signals, etc.) in the City to the contractor's supervisor. contractor, in turn, shall immediately notify the City of such conditions and shall take necessary precautions to safeguard passengers and personnel.

2. In-Service Vehicle Failures

The contractor shall require the vehicle operators to report any in-service vehicle failure to the contractor's supervisor. The supervisor will attempt to ascertain the problem, use good judgment, and instruct the vehicle operator to take appropriate corrective action. If necessary, the supervisor will immediately send a spare vehicle to the location and the operator and passengers will change vehicle and continue in service. The contractor, if necessary, shall send a mechanic to the location in order to take corrective measures and/or supervise the towing of the vehicle. The contractor shall report any in-service vehicle failures to the City immediately and not later than the start of the next service day.

3. Wheelchair Lift Failure

The contractor shall be responsible for the proper operation and maintenance of all wheelchair lifts. The contractor shall require vehicle operators to report all in-service lift failures to the contractor's supervisor. If the lift fails while attempting to board a wheelchair passenger, the supervisor shall promptly arrange for alternate transportation for the passenger in the wheelchair inconvenienced by the lift breakdown. If the lift fails while attempting discharge of a wheelchair passenger, the operator shall manually operate the lift and notify the supervisor. The supervisor shall arrange a vehicle change as quickly as reasonably possible following any lift failure. The contractor shall report all in-service lift failures to the City no later than the start of the next service day.

4. Passenger Disturbances

The contractor shall instruct vehicle operators to report nonpayment of fares; graffiti or other vandalism on the vehicles; pushing, shoving and other disturbing or dangerous conduct; and other serious passenger disturbances to the vehicle operator's

supervisor. The supervisor shall use good judgment in handling the passenger disturbance by appraising the situation, issuing appropriate instructions to the operator and request law enforcement assistance if necessary.

5. Medical Assistance to Passengers

The contractor's employees shall use good judgment in responding to passenger accidents, injuries, or illnesses occurring on the vehicles. In the event of a passenger requiring medical assistance, the vehicle operator shall immediately advise the contractor's supervisor by radio of the situation and location of the vehicle, and the supervisor shall notify the City of West Covina's Fire Department/Paramedics for assistance. An incident report shall be completed documenting the incident with a copy to the City no later than the start of the next service day.

6. Accidents

The contractor shall require all vehicle operators to report any accident or incident involving the vehicle to the contractor's supervisor. The supervisor shall use good judgment in handling the situation, and shall immediately notify police or fire department if necessary. The supervisor shall report all accidents to City by telephone immediately. Both the operator and supervisor will complete an accident report approved by City with copy to the City no later than the start of the next service day. The contractor shall submit all accident-related reports to the DMV as required.

M. ADDITIONAL SERVICES

Additional services beyond those set forth in Contract Documents will be provided by Contractor upon request by City's authorized employees as follows:

a) When additional services fall entirely within normal service hours and City directs that normal operating personnel should be used to provide the additional service, such as part of the regular cost defined in Exhibit "B" and are not considered "extra services" City recognizes that an equivalent lower level of service will be provided in normal operations during the period of such additional services.

b) Additional services outside normal operating hours, and services during the hours of normal operation but in addition to normal operation, shall be considered extra services. The costs will be determined on an individual-trip basis and billed separately from this contract, and shall be treated as a change to this Agreement as defined within Article 5, F, **Service Adjustments** and shall be in excess of the maximum price defined in Exhibit "B". Cost for additional services shall be mutually agreed upon on a case by case basis between City and Contractor.

ARTICLE 6
INDEMNITY

The Contractor does hereby indemnify and hold the City and its appointed and elected officials, agents and employees free and harmless from any and all actions, suits, claims, damages to persons or property, loses, costs, penalties, obligations, errors, omissions or liabilities including but not limited to attorney's fees (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of the activities of the Contractor or its officers, agents, or employees in connection with this Agreement (including use or servicing of vehicles) or arising from the Contractor's acts or omissions hereunder or its failure to perform any term, provision, covenant or condition of this Agreement, and in connection therewith.

- a) The Contractor shall defend with counsel acceptable to City any action or actions filed in connection with any of the said claims or liabilities and shall pay all costs and expenses, including legal costs and attorneys' fees incurred in connection therewith;
- b) The Contractor shall promptly pay any judgment rendered against the City, its officers, agents or employees for any such claims or liabilities arising out of or in connection with the activities of the Contractor hereunder; the Contractor agrees to save and hold the City, its officers, agents and employees harmless there from; and
- c) In the event the City, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against the Contractor for such damages or other claims arising out of or in connection with the work activities of the Contractor hereunder, the Contractor shall pay to the City, its officers, agents or employees any and all reasonable costs and expenses incurred by the City, its officers, agents or employees in such action or proceeding, including but not limited to legal costs and attorneys' fees.

The provisions of Article 7 of this Agreement shall not be deemed to satisfy the indemnity obligations of the Contractor pursuant to this Article 6.

ARTICLE 7 - INSURANCE
LIABILITY INSURANCE

The insurance shall be satisfactory to the City Attorney and shall be evidenced by delivery to the City Clerks office of a certificate of insurance executed by the insurers listing coverage and limits, expiration dates and terms of policies, all endorsements whether or not required by the City, and a certified copy of each policy, including all endorsements. Without limiting contractor's liability pursuant to the hold harmless and indemnity provisions of the contract, contractor shall maintain, at a minimum, the insurance listed below:

1. Worker's Compensation Insurance

- Statutory California worker's compensation coverage.
- Employer's liability with minimum limits of \$1,000,000 per accident and \$1,000,000 per disease, each employee and policy limit.
- An endorsement stating the City shall receive at least thirty (30) days notice prior to cancellation or non-renewal of coverage.
- An endorsement stating the insurer shall agree to waive all rights of subrogation against the City, its officers, officials, employees and volunteers for losses arising from work performed by contractor for the City.

2. Liability Insurance

Commercial General Liability Insurance, written on an "occurrence" basis with a minimum limit of liability of TEN MILLION DOLLARS (\$10,000,000) combined single limit per "occurrence" for bodily injury, personal injury and property damage. If the policy contains a general aggregate limit, then such aggregate limit shall not be less than TEN MILLION DOLLARS (\$10,000,000) and shall contain a per location aggregate limit.

Business Automobile Liability Insurance, insuring all owned, non-owned and hired automobiles and blanket contractual liability coverage with a limit of liability of TEN MILLION DOLLARS (\$10,000,000) combined single limit per accident for bodily injury and property damage.

Comprehensive Liability Insurance and Automobile Insurance policies shall provide that City is a named or additional insured, and shall provide that such policies cannot be cancelled without 30 days prior written notice to City.

Contractor shall:

- Furnish a statement of insurance with proposal describing to what extent they already meet these requirements by types and amounts of coverage(s).
- Furnish properly executed Certificates of Insurance with original policy endorsements to City prior to commencement of work under this agreement. The certificates and endorsements shall clearly evidence all coverage requirements described herein. The Certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be reviewed and approved by the City Attorney before work

commences. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

All insurance required by this agreement shall be maintained in full force and effect for the entire term of this agreement. If contractor, for any reason, fails to maintain insurance coverage which is required pursuant to this agreement, the same shall be deemed a material breach of contract. City, at its sole option, may forthwith terminate this agreement and obtain damages from the contractor resulting from said breach. Alternatively, City may purchase such required insurance coverage, and without further notice to contractor, City may deduct from sums due to contractor any premium costs advanced by City for such insurance.

ARTICLE 8 LICENSES, FEES, TAXES AND PERMITS

The Contractor shall have the sole obligation to pay whatever license fees, assessments and taxes, including, but not limited to use, sales, property or other taxes on any real or personal property, owned, leased or used by it in providing the Services hereunder, plus any applicable penalties and interest imposed upon the Contractor by any agency as a result of the operation of the Services pursuant to this Agreement.

ARTICLE 9 COMPENSATION TO THE CONTRACTOR

The City shall be responsible for and shall pay to the Contractor for the Services the amounts due pursuant to the Schedule set forth in Exhibit "B" attached hereto and incorporated herein by this reference. Contractor shall only bill from first pick-up to last drop-off. No "dead-head" time, lunch breaks or dinner breaks shall be billed to City. Individual invoices shall be sent in triplicate to the City within ten (10) days after the end of each month. Billings not received within such time period are subject to a late billing penalty of 2% at the sole discretion of the City. The City shall pay the contractor monthly after the service has been provided and within a reasonable time after receipt of the invoice, consistent with the City's normal accounts payable practices and procedures. However, if the City does find discrepancies within the submitted invoices, services will continue until billing issues are resolved.

All operating revenues collected by Contractor in connection with the services rendered under this Agreement are the property of City. Operating revenues include all fares, sales of tickets and passes, advertising sales, and rental of equipment. Operating revenues shall be collected and accounted for by Contractor, and shall be deducted from the monthly invoices.

ARTICLE 10 PERFORMANCE STANDARDS, LIQUIDATED DAMAGES AND PENALTIES

1. Operating Performance Standards

The contractor shall operate vehicles with due regard for the safety, comfort and convenience of passengers and the general public.

The City will set performance standards for its services. The contractor and the City shall meet periodically to evaluate performance of the system based upon these standards. If the standards are not fulfilling their intended purpose, they will be adjusted based upon recommendations made by contractor with the concurrence and final decision by the City. Should it be found that the contractor's performance has contributed to contractor's failure to achieve these standards, contractor shall take all reasonable actions requested by the City to correct deficiencies in performance.

Should deficiencies persist, the City may assess liquidated damages or penalties. Sums owed to the City as liquidated damages or otherwise may be paid directly to the City or at the sole option of the City, deducted from payments otherwise due to the Contractor.

The City's Director of Community Services shall maintain the right to assess liquidated damages or penalties against the Contractor, as set forth herein, based on the contractor's failure to meet the established standards. Circumstances beyond the control of the contractor, causing the contractor to fail to comply with the stated performance requirement, will be considered as just cause on the part of the City not to assess liquidated damages or penalties against the contractor.

Service should be provided as scheduled or according to any adjusted schedule established by the City, including route modifications required as a result of special events or a declared emergency. The contractor shall not be held responsible for the failure to provide on time service due to weather or traffic conditions, unavoidable vehicle malfunctions, and/or naturally occurring disasters.

Notwithstanding the above caveat, the City may impose liquidated damages or penalties on the following basis:

- a. Customer service is very important in building ridership and support for this service. Therefore, the fourth (and any additional) justified complaint about each service in any 7-day period shall result in the Contractor paying a penalty \$100 per substantiated complaint.
- b. The contractor shall maintain satisfactory California Highway Patrol (CHP) terminal inspection throughout the life of the contract (proof of CHP certification is required). If the contractor receives an unsatisfactory rating from the CHP, the Contractor shall notify the City immediately and state what is being done to correct the deficiency. If the vehicle operating authority falls under the California Public Utilities Commission (PUC) and if the PUC revokes the permits to operate the vehicles in this service as a result of unsatisfactory inspection ratings by the CHP, the vehicles shall not operate and a \$500 per

vehicle per day fine shall be assessed until a satisfactory inspection report is obtained and the vehicle is again available for service.

- c. The City reserves the right, at its sole discretion, to inspect and reject temporarily or permanently by notice to the contractor, any vehicle the contractor utilizes which the City deems unacceptable. In the event any revenue vehicle is rejected temporarily by the City as a result of deficient vehicle condition or appearance, \$500 per vehicle per day shall be assessed until the condition is corrected. In the event any revenue vehicle is rejected permanently by the City as a result of the vehicle's conditions, Contractor shall replace the vehicle and will be assessed \$500 per vehicle per day until the vehicle is replaced with one that is acceptable to the City.
- d. If any regulatory agency or funding source penalizes the City for late, incomplete or inaccurate data which was the contractor's responsibility to collect and/or provide to the City, the liquidated damages shall be the amount of the penalty and any administrative costs incurred by the City.
- e. In the event the contractor fails to commence service on July 1, 2001, (or a later date with approval of City) or if contractor fails to provide service for any substantial part of any day, the contractor shall pay the City liquidated damages of \$1,000 for each service day.

DIAL-A-RIDE PENALTIES:

- f. If the wait time of any Dial-A-Ride trip has been verified to exceed 60 minutes beyond the scheduled time committed to customer, the liquidated damages shall be \$60.00 per incident plus \$1.00 for every minute thereafter; and \$120.00 for the first 120 minutes for Dial-A-Ride plus \$1 for every minute thereafter.
- g. If the wait time of a pre-scheduled trip has been verified to exceed 30 minutes, the liquidated damages shall be \$50.00 per incident; if it exceeds 45 minutes, the liquidated damages shall be \$75 per incident; and, if it exceeds 60 minutes, the liquidated damages shall be \$100 per incident.
- h. If a trip request has been verified to be lost by dispatch and no vehicle was dispatched, the liquidated damages shall be \$100.00 per incident.

FIXED-ROUTE/METROLINK PENALTIES:

- i. If the successful performance rate of the total wheelchair lift boardings falls below 90%, the liquidated damages shall be \$100 per month. The percentage shall be calculated based on monthly actual usage of the lifts by passengers and regular inspections by City staff;

Adherence to Schedule: The following liquidated damages shall be imposed if, within any 30-day period, any of the following incidents occur after the occurrence of two substantiated incidents during the same thirty day period;

- j. If a trip on the fixed-route system departs in advance of the scheduled departure time at any designated time point, the liquidated damages shall be \$100 for every 10 minute increments; and
- k. If a trip on the fixed-route system is delayed for more than 10 minutes following the time set forth for departure at any designated time point, the liquidated damages shall be \$100 per 10 minute increments. Exceptions will be granted if the trip had more than two wheelchair boardings or deboardings, or other factors outside the control of the Contractor. If a trip on the fixed-route system is not provided, the liquidated damages shall be \$500 per occurrence.

The contractor must have sufficient telephone lines to handle the additional calls from West Covina residents. The contractor shall provide a Customer Service telephone line which shall be a local (non-toll free) call from anywhere within the City of West Covina, to provide route information and take Dial-A-Ride requests. One TDD phone must also be provided for persons with hearing impairments. All personnel should be trained to respond accurately and professionally. All comments and complaints shall be received by the City and referred to the contractor who shall respond the next working day with a description of any follow-up action taken or anticipated. The contractor must have a facsimile machine compatible with the City's. An answering machine may be used to provide information outside of service hours. Voicemail greetings/recorded information must be available also in Spanish.

2. Personnel Performance Standards

Regularly assigned drivers or a trained back-up must be available and on-time to ensure consistent and reliable service.

All personnel are responsible for knowledge of the service system design, the City of West Covina, and route destinations. Project personnel must maintain a courteous attitude, answering to the best of their ability any passenger questions regarding the provision of service. Personnel must also report all passenger-complaints, as well as, operational and maintenance problems promptly to the Project Manager who shall forward the information to the City.

3. Fare Collection and Accountability

The City or Authority will determine a cash fare or coupon for the fixed route, Metrolink shuttle service and Dial-A-Ride service. The City reserves the right to change the fare or to issue passes, discount coupons or tickets to be used in lieu of cash fares. The Contractor shall ensure that all drivers are aware of and adhere to the fare structure.

All fares collected by the operators must be turned in each day to the Project Manager. This revenue is to be counted, rolled and deposited each day. The contractor will establish reconciliation procedures to safeguard any cash, tickets and coupons collected and will ensure that they are accounted for accurately. The contractor will provide the City with an invoice and the City shall reimburse for actual services provided on a monthly basis. All fares collected will be deducted from the monthly invoice. Only the City may decide whether or not to allow advertising on the vehicles. If advertising is allowed, any revenue from advertising on or in the vehicles will belong to the City.

4. Program Operational Records and Responsibilities

Records and reports should be consistent with all (Section 15) NTD reporting requirements, as well as, all other reporting required by MTA. In addition, the City of West Covina may be required to provide statistical information in order to comply with other grant and legislative requirements. The City will use the information requested in this section to monitor and evaluate the productivity of the service. Information must be submitted to the City according to the reporting schedule to be established by the City. All reports shall be submitted to the City in a format approved by the City. The Program Manager will prepare and submit to the City, with appropriate back-up, no later than the, sixth working day of each month, a summary report of operations and activity for each type of transit service which will include at least:

- Daily totals of passenger counts, revenue hours, total hours, revenue miles, total miles, farebox revenue, passenger types, missed trips, customer complaints, any other operating data collected, documenting any discrepancies in the reported number of passengers carried and the amount of fares collected by the operator.
- Passenger pick-up and drop-off times and locations for the Dial-A-Ride service.
- Operational problems, accidents, incidents and passenger complaints and any actions taken regarding these events. Passenger complaints related to safety or serious operational deficiencies shall be reported by phone to the City no later than the next working day following Contractor's receipt of complaint. This must be followed-up by a written report to the City due no later than 3 working days after the incident or complaint.
- Results of documentation may indicate the need for changes in the level of service or in operational or routing modifications. The provider shall cooperate with the City to improve the transportation operation and maintain flexibility so that service modifications may be implemented quickly.
- If the contractor does not provide required data, reporting, statistics and monthly billing invoices for any or all services that is demanded by the City and the Los Angeles County Metropolitan Transportation Authority (MTA) and the Authority within fifteen (15) business

days, liquidated damages of \$500.00 per day will be paid to the City or deducted from the monthly billing owed to said contractor.

5. City Access to Records

The City, or any of its duly authorized representatives, upon reasonable written notice, shall have access, for the purpose of audit and investigation, to any and all original books, documents, papers and records of the contractor which pertains to the contract. Said original books, documents, papers and records must be retained by the contractor in the Southern California Region for three years following final payment under the contract.

6. Marketing/Public Outreach/Advertising

The City shall be responsible for public relations, as well as, the production of schedules and marketing and other promotional materials, therefore, these costs should not be included in the proposal.

The contractor must refer all media requests to the City and may not provide any information without prior approval by the City.

The contractor shall cause drivers and supervisors to cooperate and comply with reasonable requests by the City to distribute notices, schedules or other promotional materials to passengers in connection with the services provided. The City may also request the contractor's personnel to collect data from passengers by handing out survey forms.

The contractor shall participate in the City's special events such as the City's Open House as requested by the City. These events may require the contractor to display service vehicles in addition to providing manpower for a display booth for distributing brochures regarding the City's transit services.

7. Operating During a Declared Emergency

Upon declaration of any emergency by the City Manager or his designated representative, the contractor may be responsible for a number of transportation-related activities, including the development of emergency travel routes, and the coordination with other agencies supplying common carrier services. In the event of a declared emergency, the Contractor shall make available all program vehicles to the City, report to a designated City parking area immediately and deploy vehicles in a manner described by the Director of Community Services or his designee as part of the City's Emergency Response Plan. The City shall be obligated to compensate the Contractor for services which significantly exceeds the normal expense of operating the service during such period of declared emergency. The contractor shall be required to document and maintain all emergency-related services

as requested by the City and provide these documents to the City at the declared conclusion of the emergency.

ARTICLE 11
TERMINATION OR SUSPENSION

A. The City shall have the right to (i) forthwith terminate this Agreement, (ii) withhold payment to the Contractor, (iii) provide substitute service at the Contractor's expense, or (iv) exercise any and all other remedies legally available to it in the event of:

1. The bankruptcy of the Contractor or assignment by it for the benefit of its creditors.

2. The failure or refusal of the Contractor to perform the Services in a satisfactory manner after five (5) working days written notice by the City to the Contractor.

3. The failure or refusal of the Contractor to comply with applicable federal, state and local government laws, codes, regulations or ordinances.

4. The failure to receive a "Satisfactory" rating within thirty (30) days of receipt of an "Unsatisfactory" rating of any vehicle used in connection with the Services.

5. The failure to notify the City of an "Unsatisfactory" rating of any vehicle used in connection with the Services.

6. The abandonment or discontinuance by the Contractor of the Services without the prior written consent of the City.

7. The continued violation on the part of the Contractor's agents or employees of traffic laws, ordinances, and regulations.

8. The failure to maintain the whole, or any portion, of the Contractor's vehicles and other equipment or facilities as required by this Agreement.

9. The failure of the Contractor to maintain the insurance coverage required by Article 7.

B. If cancellation is due to any of the reasons specified in subsection (A) of Article 11 of this Agreement, the City may offset damages incurred by it in accordance with Article 10.

C. In the event the City terminates this Agreement as provided in subsection (A) Article 11, the Contractor shall be entitled to receive payment for the pro rata share of the monthly Services provided as of the time of cancellation of the Contract, subject to any offset, as provided in Article 10.

D. Notwithstanding the foregoing, either party may terminate this Agreement without cause upon ninety (90) days prior written notice to the other party.

E. In the event this Agreement is terminated by the City, all data prepared in providing the Services shall be made available immediately to the City at the Contractor's sole expense.

F. Pending final resolution of a dispute hereunder, the Contractor shall proceed diligently with the performance of Services under this Agreement

ARTICLE 12 ASSIGNMENT AND SUBCONTRACTING

This Agreement is made in reliance on the qualifications and responsibilities of the Contractor and, therefore, the Contractor shall not assign, transfer or subcontract all or any part of its obligations or benefits under this Agreement without the written consent of the City.

The parties acknowledge and agree that this Agreement is not intended to be an exclusive agreement for transit services for the City. The Contractor acknowledges that the City may award or enter into additional agreements with third parties, including competitors of the Contractor for transit services during the term of this Agreement.

ARTICLE 13 CHOICE OF LAWS

The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

ARTICLE 14 ASSISTANCE FROM CONTRACTOR

The Contractor shall participate with the City in the design and implementation of any changes in the Services. The Contractor shall provide suggestions respecting scheduling and routing to the City from time to time for the purpose of improving the overall Services.

The Contractor shall provide advice to the City in the marketing and promotion of the Service and shall, at the request of the City, participate in marketing activities for the Service without additional compensation.

ARTICLE 15
NOTICES

All notices pursuant to this Agreement shall be in writing and shall be effective upon (i) personal delivery to the person to be notified or (ii) three (3) business days after deposit in the custody of the United States Postal Service or its lawful successor, first-class postage prepaid addressed as follows:

West Covina: Community Services Director
City of West Covina
1444 West Garvey Avenue, Room 205
Post Office Box 1440
West Covina, CA 91793

Contractor: General Manager
R & D Transportation Services, LLC
320 South Garfield, Suite 206
Alhambra, CA 91801

ARTICLE 16
SAFETY PROGRAM

The Contractor shall provide regular and continuous formal safety instructions and training to all employees providing Services under this Agreement. Personnel assigned to the Services shall be required to attend safety meetings scheduled at a minimum of four (4) times per year. Certifications of attendance at these meetings shall be sent to the City not later than thirty (30) days after each safety meeting. Copies of training manuals and materials shall be sent to the City, for review purposes, describing the content and scope of the safety program. Certification of Completion of Training shall be sent to the City for all employees no later than ten (10) working days after training has been completed.

ARTICLE 17
PROPOSITION "A and C" FUNDING

The funding source for the Service is the City's Proposition "A" and Proposition "C" funds. In the event these funds become unavailable in the amount anticipated, the City shall have the right to reduce or terminate this Agreement upon thirty (30) days written notice to the Contractor. The Contractor shall be entitled to compensation for all Services provided up to the date of termination.

ARTICLE 18
FORCE MAJEURE

The parties to this Agreement agree that neither shall be held responsible for losses, delays, failure to perform, or excess costs caused by events beyond their control. Such events include, but are not restricted to the following: Acts of God, fire, epidemics, earthquakes, flood or other natural disasters, riots, strikes, war, civil disorder, or unavailability of fuel.

ARTICLE 19
(RESERVED)

ARTICLE 20
ATTORNEY'S FEES

Should any litigation be commenced between the parties hereto to interpret or enforce the provisions of this Agreement, including an action for declaratory relief, the prevailing party shall be entitled to reasonable attorney's fees, court costs and necessary disbursements, in addition to any other relief to which it may be entitled in law or equity.

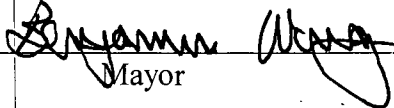
ARTICLE 21
SEVERABILITY

If any term, condition or covenant of this Agreement, or the application hereof to any person or circumstance shall be invalid or unenforceable, the remainder of this Agreement, other than those paragraphs held invalid or unenforceable, shall be unaffected thereby and each remaining term, covenant or condition of this Agreement shall be valid and shall be enforceable to the fullest extent permitted by law.

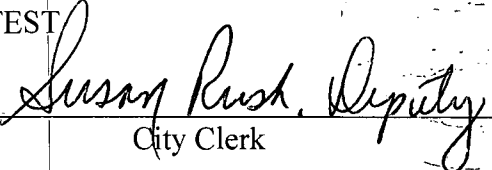
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first written above.

Date: 6/18/01

CITY OF WEST COVINA

By 
Mayor

ATTEST


City Clerk

Date: 6/1/01

R & D TRANSPORTATION SERVICES, LLC

By 