

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**BOARD OF DIRECTORS REGULAR MEETING AGENDA
NOVEMBER 21, 2003 (Third Friday of This Month)
*WATSONVILLE CITY COUNCIL CHAMBERS
250 MAIN STREET
WATSONVILLE, CALIFORNIA
9:00 a.m. – 12:00 noon**

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

1. ROLL CALL
2. ORAL AND WRITTEN COMMUNICATION
 - a. R. Paul Marcelin-Sampson RE: Marketing of METRO Services
3. LABOR ORGANIZATION COMMUNICATIONS
4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

CONSENT AGENDA

- 5-1. APPROVE REGULAR BOARD MEETING MINUTES OF OCTOBER 10 AND OCTOBER 24, 2003
Minutes: October 10, 2003 Minutes are Attached
REVISED MINUTES OF OCTOBER 24, 2003 ARE INCLUDED IN THE NOVEMBER 21 2003 BOARD PACKET
- 5-2. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS
Report: Attached
- 5-3. ACCEPT AND FILE OCTOBER 2003 RIDERSHIP REPORT
Report: Attached
PAGE 1 OF THE RIDERSHIP REPORT DOCUMENTATION IS INCLUDED IN THE NOVEMBER 21, 2003 BOARD PACKET
- 5-4. CONSIDERATION OF TORT CLAIMS: None
- 5-5. ACCEPT AND FILE AGENDA FOR THE MASTF COMMITTEE MEETING OF NOVEMBER 20, 2003 AND THE MINUTES OF THE OCTOBER 16, 2003 MEETING
Agenda/Minutes: Attached
- 5-6. ACCEPT AND FILE AGENDA FOR THE MUG COMMITTEE MEETING OF NOVEMBER 19, 2003 AND THE MINUTES OF THE OCTOBER 15, 2003 MEETING
Minutes: Attached

* Please note: Location of Meeting Place

- 5-7. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR SEPTEMBER 2003 AND APPROVAL OF BUDGET TRANSFERS
Staff Report: Attached
- 5-8. ACCEPT AND FILE PARACRUZ STATUS REPORT FOR AUGUST 2003
Staff Report: Attached
- 5-9. ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR SEPTEMBER 2003
Staff Report: Attached
- 5-10. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE
Staff Report: Attached
- 5-11. ACCEPT AND FILE METROBASE STATUS REPORT
Staff Report: **CORRECT PROJECT SCHEDULE IS INCLUDED IN THE NOVEMBER 21, 2003 BOARD PACKET**
- 5-12. ACCEPT AND FILE SANTA CRUZ NEEDLE EXCHANGE REPORT FOR TRANSIT CENTERS
Staff Report: Attached
- 5-13. ACCEPT AND FILE FOLLOW-UP REPORT ON RECENT PUBLIC INPUT PROCESS
Staff Report: Attached
- 5-14. CONSIDERATION OF A RESOLUTION AUTHORIZING AN AMENDED TDA CLAIM FOR FY 2004
Staff Report: Attached
NOTE: ROLL CALL VOTE IS REQUIRED FOR RESOLUTION

REGULAR AGENDA

6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS
Presented by: Chairperson Reilly
Staff Report: Attached
7. CONSIDERATION OF APPROVAL OF DIRECTING METRO STAFF TO PREPARE A TRANSITION PLAN FOR THE DIRECT OPERATION OF PARACRUZ SERVICE FOR CONSIDERATION BY THE BOARD OF DIRECTORS IN DECEMBER 2003
Presented by: Les White, General Manager
Staff Report: Attached

8. CONSIDERATION OF AMENDING CONTRACT FOR REVENUE AND NON-REVENUE TIRES
Presented by: Tom Stickel, Fleet Maintenance Manager
Staff Report: Attached
9. CONSIDERATION OF AWARD OF CONTRACT FOR EMPLOYEE DENTAL INSURANCE COVERAGE
Presented by: Tom Stickel, Fleet Maintenance Manager
Staff Report: **REVISED STAFF REPORT WILL BE INCLUDED IN THE NOVEMBER 21, 2003 BOARD PACKET**
10. CONSIDERATION OF RENEGOTIATED CONTRACT WITH THE UNIVERSITY OF CALIFORNIA, SANTA CRUZ
Presented by: Mark Dorfman Assistant General Manager
Staff Report: Attached
11. **DELETED – ACTION TAKEN AT THE NOVEMBER 14, 2003 BOARD MEETING**
12. CONSIDERATION OF AUTHORIZATION TO OPERATE THE WATSONVILLE HOLIDAY SHUTTLE
Presented by: Les White, General Manger
Staff Report: Attached
13. **DELETED – ANNOUNCEMENT WAS MADE AT THE NOVEMBER 14, 2003 BOARD MEETING**
14. **CONSIDERATION OF APPOINTING A MEMBER OF THE BOARD OF DIRECTORS TO SERVE AS THE METRO REPRESENTATIVE TO THE HIGHWAY 1 WIDENING/HOV JOINT POWERS AUTHORITY**
Presented by: Les White, General Manager
Staff Report: **DOCUMENTATION WILL BE INCLUDED IN THE NOVEMBER 21, 2003 BOARD PACKET**
15. **CONSIDERATION OF CONTRACT RENEWAL FOR PRINTING OF THE HEADWAYS**
Presented by: Tom Stickel, Fleet Maintenance Manager
Staff Report: **DOCUMENTATION WILL BE INCLUDED IN THE NOVEMBER 21, 2003 BOARD PACKET**
16. **CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO REQUEST AN ADVANCE PAYMENT OF URBANIZED AREA FORMULA FUNDS IN FY 2004 FROM CALTRANS FOR ONE-TIME CAPITAL FUNDING REQUIREMENTS**
Presented by: Mark Dorfman, Assistant General Manager
Staff Report: **DOCUMENTATION WILL BE INCLUDED IN THE NOVEMBER 21, 2003 BOARD PACKET**

17. **Staff will request that the following item be added to the agenda since it came to staff's attention after the posting of the agenda and there is a need to take action:**

CONSIDERATION OF RATIFYING SANTA CRUZ METRO'S JOINING THE CALIFORNIA PUBLIC ENTITY INSURANCE AUTHORITY JOINT POWERS AGREEMENT IN ORDER TO OBTAIN ACCESS TO EXCESS WORKERS' COMPENSATION INSURANCE COVERAGE AND APPROVE THE EXCESS WORKERS' COMPENSATION PROGRAM MEMORANDUM OF UNDERSTANDING AND ADOPT THE ATTACHED RESOLUTION WHICH AUTHORIZES WORKERS' COMPENSATION COVERAGE FOR THOSE WHO VOLUNTEER FOR SANTA CRUZ METRO

Presented by: Margaret Gallagher, District Counsel

Staff Report: **DOCUMENTATION HAS BEEN DISTRIBUTED TO THE BOARD IN ADVANCE AND WILL BE AVAILABLE FOR THE PUBLIC AT THE NOVEMBER 21, 2003 BOARD MEETING**

18. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION: District Counsel
19. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

SECTION II: CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Pursuant to Subdivision (a) of Section 54956.9)

a. Name of Case: Don Toline v. Santa Cruz Metropolitan Transit District
(Before the Workers' Compensation Appeals Board)

SECTION III: RECONVENE TO OPEN SESSION

20. 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 Watsonville 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 Dale Carr 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. METRO is making efforts to have this meeting televised live in Watsonville by Charter Cable on Channel 70. It will be shown in Santa Cruz at a later date by Community Television.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: November 21, 2003
TO: Board of Directors
FROM: Les White, General Manager
SUBJECT: MATERIAL FOR THE NOVEMBER 21, 2003 BOARD MEETING AGENDA

SECTION I: **OPEN SESSION:**

CONSENT AGENDA:

- ADD TO ITEM #5-1** APPROVE REGULAR BOARD MEETING MINUTES OF OCTOBER 24, 2003
(Insert Revised Minutes of October 24, 2003)
- ADD TO ITEM #5-3** ACCEPT AND FILE OCTOBER 2003 RIDERSHIP REPORT
(Add Page One of Ridership Report)
- ADD TO ITEM #5-11** ACCEPT AND FILE METROBASE STATUS REPORT
(Add Correct Project Schedule)

REGULAR AGENDA:

- ADD TO ITEM #9** CONSIDERATION OF AWARD OF CONTRACT FOR EMPLOYEE DENTAL INSURANCE COVERAGE
(Add Revised Staff Report)
- DELETE ITEM #11** CONSIDERATION OF ENTERING INTO AN INTERIM CONTRACT WITH FIRST ALARM SECURITY OF SANTA CRUZ FOR THE PROVISION OF SECURITY SERVICES FROM NOVEMBER 14, 2003 THROUGH DECEMBER 31, 2003
(Action was Taken at the November 14, 2003 Board Meeting)
- DELETE ITEM #13** ANNOUNCEMENT: NOTIFICATION OF MEETING LOCATION FOR NOVEMBER 21, 2003 – WATSONVILLE CITY COUNCIL CHAMBERS, 250 MAIN STREET, WATSONVILLE
(Announcement was made at the November 14, 2003 Board Meeting)
- ADD TO ITEM #14** CONSIDERATION OF APPOINTING A MEMBER OF THE BOARD OF DIRECTORS TO SERVE AS THE METRO REPRESENTATIVE TO THE HIGHWAY 1 WIDENING/HOV JOINT POWERS AUTHORITY
(Add Staff Report)

ADD TO ITEM #15

CONSIDERATION OF CONTRACT RENEWAL FOR PRINTING OF
THE *HEADWAYS*
(Add Staff Report)

ADD TO ITEM #16

CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO
REQUEST AN ADVANCE PAYMENT OF URBANIZED AREA
FORMULA FUNDS IN FY 2004 FROM CALTRANS FOR ONE-TIME
CAPITAL FUNDING REQUIREMENTS
(Add Staff Report)

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

BOARD OF DIRECTORS REGULAR MEETING AGENDA NOVEMBER 14, 2003 (Second Friday of Each Month)

*SCMTD ENCINAL CONFERENCE ROOM

370 ENCINAL STREET, SUITE 100

SANTA CRUZ, CALIFORNIA

9:00 a.m. – 11:00 a.m.

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

1. ROLL CALL
2. ORAL AND WRITTEN COMMUNICATION
 - a. R. Paul Marcelin-Sampson RE: Marketing of METRO Services
3. LABOR ORGANIZATION COMMUNICATIONS
4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

CONSENT AGENDA

- 5-1. APPROVE REGULAR BOARD MEETING MINUTES OF OCTOBER 10 AND OCTOBER 24, 2003
Minutes: Attached
- 5-2. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS
Report: Attached
- 5-3. ACCEPT AND FILE OCTOBER 2003 RIDERSHIP REPORT
Report: Attached
PAGE 1 OF THE RIDERSHIP REPORT WILL BE PRESENTED FOR CONSIDERATION AT THE NOVEMBER 14, 2003 BOARD MEETING
- 5-4. CONSIDERATION OF TORT CLAIMS: None
- 5-5. ACCEPT AND FILE AGENDA FOR THE MASTF COMMITTEE MEETING OF NOVEMBER 20, 2003 AND THE MINUTES OF THE OCTOBER 16, 2003 MEETING
Agenda/Minutes: Attached
- 5-6. ACCEPT AND FILE AGENDA FOR THE MUG COMMITTEE MEETING OF NOVEMBER 19, 2003 AND THE MINUTES OF THE OCTOBER 15, 2003 MEETING
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Staff Report: Attached
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Staff Report: Attached
NOTE: ROLL CALL VOTE IS REQUIRED FOR RESOLUTION

REGULAR AGENDA

6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS
Presented by: Chairperson Reilly
Staff Report: Attached
THIS PRESENTATION WILL TAKE PLACE AT THE NOVEMBER 21, 2003 BOARD MEETING
7. CONSIDERATION OF APPROVAL OF DIRECTING METRO STAFF TO PREPARE A TRANSITION PLAN FOR THE DIRECT OPERATION OF PARACRUZ SERVICE FOR CONSIDERATION BY THE BOARD OF DIRECTORS IN DECEMBER 2003
Presented by: Les White, General Manager
Staff Report: Attached

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Presented by: Tom Stickel, Fleet Maintenance Manager
Staff Report: Attached
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Presented by: Tom Stickel, Fleet Maintenance Manager
Staff Report: Attached
10. CONSIDERATION OF RENEGOTIATED CONTRACT WITH THE UNIVERSITY OF CALIFORNIA, SANTA CRUZ
Presented by: Mark Dorfman Assistant General Manager
Staff Report: Attached
11. CONSIDERATION OF ENTERING INTO AN INTERIM CONTRACT WITH FIRST ALARM SECURITY OF SANTA CRUZ FOR THE PROVISION OF SECURITY SERVICES FROM NOVEMBER 14, 2003 THROUGH DECEMBER 31, 2002
Presented by: Bryant Baehr, Operations Manager
Staff Report: Attached
ACTION IS REQUIRED AT THE NOVEMBER 14, 2003 BOARD MEETING
12. CONSIDERATION OF AUTHORIZATION TO OPERATE THE WATSONVILLE HOLIDAY SHUTTLE
Presented by: Les White, General Manger
Staff Report: Attached
13. ANNOUNCEMENT: NOTIFICATION OF MEETING LOCATION FOR NOVEMBER 21, 2003 – WATSONVILLE CITY COUNCIL CHAMBERS, 250 MAIN STREET, WATSONVILLE
Presented by: Director Mike Keogh, Vice Chairperson
Staff Report: Oral Announcement
14. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION: District Counsel
15. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

SECTION II: CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Pursuant to Subdivision (a) of Section 54956.9)
 - a. Name of Case: Sonya McClure v. Santa Cruz Metropolitan Transit District
(Before the Workers' Compensation Appeals Board)

- b. Name of Case: Richard Castro v. Santa Cruz Metropolitan Transit District
(Before the Workers' Compensation Appeals Board)
- c. Name of Case: Don Toline v. Santa Cruz Metropolitan Transit District
(Before the Workers' Compensation Appeals Board)
- d. Name of Case: Carrie Weech v. Santa Cruz Metropolitan Transit District
(Before the Workers' Compensation Appeals Board)

SECTION III: RECONVENE TO OPEN SESSION

16. REPORT OF CLOSED SESSION

ADJOURN

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NOTE:

**The November 21, 2003 Board meeting will be held at the Watsonville
City Council Chambers, 250 Main Street , Watsonville, CA**



**La Unión de Los Pasajeros de Metro
The Metro Riders Union**

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

2003 October 29

Mr Leslie R. White,
General Manager
Santa Cruz Metropolitan Transit District
370 Encinal Street Suite 100
Santa Cruz California 95060

Dear Les:

Getting more people to ride the bus — as we make it cheaper and more convenient — is of course the overriding purpose of La Unión de Los Pasajeros / The Metro Riders Union.

To follow up on an earlier conversation, we believe that tourists would be a choice market for Metro during these difficult economic times. Tourists:

- Have discretionary income
- Tend to travel during off-peak hours (midday, nights and weekends)
- Don't mind taking a slower (and possibly more scenic) journey
- May not have access to a car

Please consider placing free tickets and copies of *Headways* in moderately-priced hotel rooms throughout the City of Santa Cruz. If Metro is interested, here are specific suggestions for a low-cost campaign:

1. The campaign would require cooperation between management, the board, the local convention and visitors' bureau, and hoteliers.
2. Metro would issue a limited number of free tickets. The tickets would be valid for a short time, say June to August, 2004. They would be numbered and would have anti-copy features (cf. Metro's Convenience Card).
3. A copy of *Headways* would be placed in each hotel room, with *one* ticket attached. (This would be a trial program, with no restocking.)
4. Each ticket would be valid for one adult local ride *during off-peak hours*. The goal would be to attract a new customer, to have her ride at a time when the bus is not crowded, and to have her pay a full cash fare for her return trip (as well as for any friends or family members traveling with her).

5. Passengers would insert their tickets into the farebox. GFI fareboxes count any piece of paper that's not a bill as a ticket, and this category is already part of Mr Dorfman's data dump. For a manual alternative, staff could cull tickets during the counting process.

We know that you have spearheaded many successful ridership growth initiatives. Here are a few ideas from around the world that might merit consideration for Santa Cruz:

Toronto The Toronto Transportation Commission (TTC) sells customized discount passes to convention organizers. This is a bulk sales model.

San Francisco The San Francisco Municipal Railway (Muni) has short-term passes for tourists. These "Passports" are valid for one to several days and are sold by museums, ticket agents, and tourist bureaus. Muni charges much more for a Passport than for a day's worth of a tokens or a weekly pass, knowing that tourists won't take time to investigate the cheaper fare media that residents use. Tourists can choose the "CityPass", a transit pass bundled with museum access.

Paris La Régie Autonome des Transports Parisiens (RATP) sells a short-term tourist pass called "Paris Visite". As with Muni, RATP charges a premium price. Tourists can buy a wide variety of "bundled" passes, including a EuroDisney bundle and a museum bundle. The prices shown below are for "unbundled" (transit-only) passes.

Sample Markups	City	Normal Pass	Tourist Version	Markup
	San Francisco	\$12 Weekly Fast Pass	\$20 7-Day Passport	67%
	Paris	5.20 € "Mobilis" day pass	8.35 € "Paris Visite" day pass	60%

We appreciate all of the work you are doing to restore Metro's financial health, and we hope that our suggestions will be useful.

Yours truly,

R. Paul Marcellin-Sampson

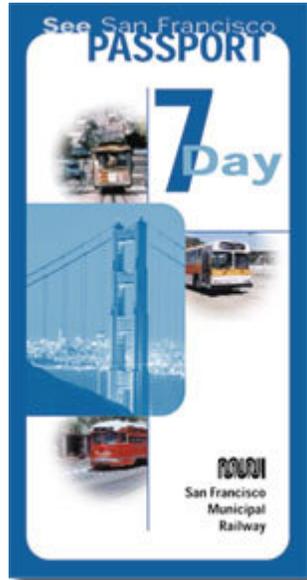
Mr R. Paul Marcellin-Sampson (Paul)

cc: Board of Directors

Enclosures: Program descriptions from Toronto, San Francisco and Paris

Passports effective September 1, 2003

Muni Passports are good for discounts at many visitor attractions in San Francisco, including the museums in Golden Gate Park, the San Francisco Zoo, and locations in the Fisherman's Wharf area. 3-day and 7-day Passports are good for three or seven **consecutive** days.



- 1-day Passport \$9 ([where to buy](#))
- 3-day Passport \$15 ([where to buy](#))
- 7-day Passport \$20 ([where to buy](#))

Passports are also sold every day from 8 a.m. to midnight at the information booths in the baggage claim areas at the San Francisco International Airport. Muni Maps are also sold at the information booths.

[Passports may be purchased online](#) and may also be purchased in advance. For more information on Muni Passports, call Muni's Revenue Department at 415-923-6050.

An alternative to a Passport is the [CityPass](#).

D

CityPass



The San Francisco CityPass is good for seven consecutive days on Muni and is also good for admission to several attractions in the city. It provides a savings over the individual admission prices for the attractions and fare for Muni.

CityPasses are available at those attractions, at the Visitor Information Center at Powell & Market Streets, and at Muni's Revenue Department, 949 Presidio Avenue at Geary.

An alternative to CityPass is a [Muni Passport](#).



Paris Visite, your essential transport pass to travel around Paris

Paris Visite is a travel card pass enabling you to use all the public transport services. It is the best way to get around Paris and its region! The Paris Visite pass consists of a travelcard and its ticket. It provides unlimited rides on the transport system of the Île-de-France region: Metro, RER (express regional trains), bus, tramway, suburban Transilien SNCF trains, funiculaire de Montmartre, Montmartrobus, Noctambus, Optile bus system, within a given fare zone (from 1-3, 1-5 to 1-8).

Popular destinations include: Disneyland Resort Paris (zone 5), Château de Versailles (zone 4), Charles de Gaulle (zone 5) and Orly (zone 4) airports.

Paris Visite comes in 1, 2, 3, or 5 consecutive days versions.

It is good from the first day of use (not from the date of purchase) until the last consecutive day. You may buy Paris Visite in advance and save time avoiding last minute lines.

WHERE TO BUY PARIS VISITE?

Paris Visite pass can be purchased in all Metro, RER, Transilien SNCF stations, bus terminal ticket counters, RATP Boutiques, RATP sales desks at Orly and CDG airports and Paris tourist offices. You can also buy your pass in certain travel agencies and [tour operators abroad](#).

HOW TO USE IT

Once you get your pass, immediately fill in your name on the card. Write down the card serial number on the ticket and write the date of first use. Card and ticket must be held together at all times. RATP staff are entitled to verify your pass at any moment.

FARES

Fare zones	1 DAY	2 DAYS	3 DAYS	5 DAYS
	Children* / Adults	Children* / Adults	Children* / Adults	Children* / Adults
1-3	4.55 / 8.35	6.85 / 13.70	9.15 / 18.25	13.70 / 26.65
1-5	8.35 / 16.75	12.95 / 26.65	18.25 / 37.35	22.85 / 45.70
1-8	11.40 / 23.60	16.75 / 34.30	21.30 / 42.65	26.65 / 53.35

Fares are displayed in euros. *From 4 to 11 years old. Kids under 4 ride free of charge.

Last but not least, buying your Paris Visite pass from RATP gives you selected advantages

Get your pass from any RATP window. We will be happy to provide special coupons giving you discounts and savings at selected merchants, restaurants, museums, theme parks...

Find below the special offers reserved for RATP Paris Visite pass holders:



WHERE	SPECIAL OFFERS
Bal du Moulin Rouge	The world famous cabaret. 1 Moulin Rouge porcelain ashtray offered.
Bateaux parisiens	Sightseeing cruise, departing at the foot of the Eiffel tower. Several languages available. 50% off on the second sightseeing cruise ticket bought.
Canauxrama	Cruise along the Canal Saint-Martin. One free ticket for one adult ticket purchased (except week-end afternoon and public holidays).
Chez Clément	Enjoy dining in a warm and friendly atmosphere. A cocktail or "crème brûlée" dessert will be offered with your main dish.
Cité des Sciences et de l'Industrie	Museum of science, interactive shows and exhibitions. Ticket entrance: 5.5 EUR instead of 7.5 EUR.

Disneyland Resort Paris	The place where your dreams come true. Come visit Disneyland Park and the Walt Disney Studios Park. 10% discount in most Disneyland Resort Paris souvenir shops. Minimum of purchase: 20 EUR.
Les Étoiles du Rex	Go behind the scenes (and screen) of Europe's largest movie palace, seating 2800 guests. One free ticket for every adult ticket purchased.
Galeries Lafayette	Get a 10% discount* card and a gift** (a Galerie Lafayette bag) at the welcome desk (ground floor). Discount card must be presented at the cash desk before payment. Discount cannot be reimbursed once payment is made. Discount not good on food, services, books, records, articles marked with a red dot and other promotions. Minimum of purchase: 30 EUR. **One bag per person.
Toit de la Grande Arche	Panoramic lift, shops, brasserie, panoramic view. For one adult ticket purchased, the second one is offered.
L'Open Tour	3 routes to discover Paris from an open double-decker bus. 20 EUR instead of 24 EUR.
Montmartrain	Get around Montmartre on board of this charming train. One adult ticket purchased = one free adult ticket
Musée du Vieux Montmartre	The place where you can get to know more about Montmartre. One adult ticket purchased = one free adult ticket
Musée Jacquemart André	Discover 150 masterpieces from the Italian Renaissance, the 18th century french school and the Flemish masters. One free admission for one adult ticket purchased.
Musée du Vin	Museum of wine, featuring the wealth and diversity of France's heritage in wine growing and wine. One free admission for one adult ticket purchased.
Opéra Garnier	Go behind the scenes of the famous Opéra, Charles Garnier's masterpiece. Reduction for the second visitor: first ticket 6 EUR, second ticket 4 EUR. Plus enjoy a 5% discount at the book and gift store.
Réunion des musées nationaux	For any purchase worth 30 EUR or more, get a 10% discount on all the products (except books, 5% discount) in every Île-de-France Réunion des musées nationaux shop.
Stade de France	Adult admission to "Premiers regards" entitles to an extra free admission.
Tour Montparnasse	Panoramic view of Paris from its 56th floor or open-air terrace on the 59th level. 35% off the regular adult rate. Not good on children rate.

Informations subject to change. Special offers and discounts RATP are valid from 1 April 2003, until 31 March 2004 if you buy your ticket at RATP desks. Complete list of advantages and vouchers will be provided with your pass.



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Toronto Transit Commission

Convention Transit Pass - 2003 Price List

SERVICE

- Routes, maps and schedules
- Service changes
- Accessible service
- Airport routes
- Construction
- Wheel-Trans

FARES

- Fares and rates
- Day pass
- Downtown Express
- Metropass
- Student/Child cards
- TTC/GO Transit: TTC Times Two
- Old ticket refund

TTC INFORMATION

- TTC telephone info
- About the TTC
- TTC history
- Contacting the TTC
- Employment
- Multilingual info
- Safety and security
- TTC parking
- Selling to the TTC
- Commission reports
- Media releases
- Coupler magazine
- Transit links
- Yellow Pages

SEARCH

Quantity	Convention Transit Pass - Daily Rate - 2003 Price List					
	1 DAY		2 DAYS		3 + DAYS	
	C\$	US\$	C\$	US\$	C\$	US\$
100	5.25	3.50	4.75	3.15	4.25	2.85
500	4.75	3.15	4.25	2.85	3.75	2.50
1,000+	4.25	2.85	3.75	2.50	3.25	2.15

- US\$ prices are provided for comparison purposes only. At time of payment, a firm price will be quoted subject to prevailing exchange rates.
- A conversion rate based on one US\$ = \$ 1.50 Canadian is used for the above prices.
- For orders of less than 100 passes there is a set-up charge of C\$250.
- Prices subject to change in the event of a fare increase.
- Revised December 2002.

For more information contact the TTC, Mr. Aubrey Marshall at 416-393-6746, e-mail: aubrey_marshall@ttc.ca, fax 416-338-0127.

CONDITIONS OF USE

1. To be valid, the pass must have the printed name and signature in ink of its holder.
2. A Convention Transit Pass is good for travel by the holder on all regular TTC routes within the City of Toronto only for the period shown. The pass is not valid on TTC special services, or for travel outside the City of Toronto boundaries on some TTC routes.
3. The pass must be presented in an open and unrestricted manner. The pass will be confiscated if presented by a person other than its holder.
4. No refunds will be allowed.

CHAIR, HOWARD MOSCOE
TTC, 1900 Yonge St.,
Toronto ON M4S 1Z2

NOT TRANSFERABLE
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- The Convention Transit Pass is available only through bulk sales. Where possible, it is recommended that the Pass be included in the registration fee. Passes can also be purchased for sale at the registration desk.
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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- Board of Directors

October 10, 2003

A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, October 10, 2003 at the District's Administrative Office, 370 Encinal Street, Santa Cruz, CA.

Vice Chairperson Keogh called the meeting to order at 9:00 a.m.

SECTION 1: OPEN SESSION

1. ROLL CALL:

DIRECTORS PRESENT

Sheryl Ainsworth (arrived after roll call)
Jan Beautz (arrived after roll call)
Michelle Hinkle
Mike Keogh
Ana Ventura Phares
Emily Reilly
Mike Rotkin (arrived after roll call)
Marcela Tavantzis
Ex-Officio Wes Scott
Pat Spence

DIRECTORS ABSENT

Jeff Almquist
Dennis Norton

STAFF PRESENT

Bryant Baehr, Operations Manager
Mark Dorfman, Assistant General Manager
Margaret Gallagher, District Counsel
Steve Paulson, Paratransit Administrator

Elisabeth Ross, Finance Manager
Judy Souza, Base Superintendent
Tom Stickel, Fleet Maint. Manager
Les White, General Manager

EMPLOYEES AND MEMBERS OF THE PUBLIC WHO INDICATED THEY WERE PRESENT

April Axton, Lift Line
Sharon Barbour, MASTF
Heather Boerner, *Sentinel*
Jenna Glasky, SEA
Sid Goldstein, *Transit Access Report*
Gary Klemz, SEIU
Jeff LeBlanc, Rider
R. Paul Marcelin-Sampson, Metro Riders Union

Manny Martinez, PSA
Bonnie Morr, UTU
Will Regan, VMU
Jim Taylor, UTU
Linda Wilshusen, SCCRTC
Leslie Wright, MASTF
Robert Yount, MASTF

2. ORAL AND WRITTEN COMMUNICATION

- a. Brad Neily, Californians for Disability Rights RE: MASTF
- b. Jeff LeBlanc, Bus Rider RE: MASTF

3. LABOR ORGANIZATION COMMUNICATIONS

Bonnie Morr expressed concerns regarding a lack of response to her request to have a committee formed regarding the Deferred Compensation Plan and emergency withdrawals, and the status of repairs on mirrors and windows on the buses, and certain University bus stops that are shared with UCSC. Ex Officio Director Scott asked for the latter concerns to be sent to him in writing.

DIRECTOR AINSWORTH ARRIVED.

4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

Pages 8b.23a through 8b.23d were distributed to the Board to be inserted into their binders. These inserts will be available to the public at the October 24, 2003 Board meeting.

CONSENT AGENDA

5-1. APPROVE REGULAR BOARD MEETING MINUTES OF SEPTEMBER 12, 2003

No questions or comments.

5-2. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS

Director Tavantzis asked about a large expenditure and was informed it was for fireproof file cabinets, and that these were included in the approved capital budget.

**5-3. ACCEPT AND FILE SEPTEMBER 2003 RIDERSHIP REPORT
PAGE 1 OF THE RIDERSHIP REPORT WILL BE PRESENTED FOR
CONSIDERATION AT THE OCTOBER 24, 2003 BOARD MEETING**

No questions or comments.

5-4. CONSIDERATION OF TORT CLAIMS: None

**5-5. ACCEPT AND FILE AGENDA FOR THE MASTF COMMITTEE MEETING OF
OCTOBER 16, 2003 AND THE MINUTES OF THE SEPTEMBER 25, 2003 MEETING
DOCUMENTATION WILL BE PRESENTED FOR CONSIDERATION AT THE
OCTOBER 24, 2003 BOARD MEETING**

No questions or comments.

5-6. ACCEPT AND FILE AGENDA FOR THE MUG COMMITTEE MEETING OF OCTOBER 15, 2003 AND THE MINUTES OF THE SEPTEMBER 17, 2003 MEETING

No questions or comments.

5-7. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR AUGUST 2003

No questions or comments.

5-8. ACCEPT AND FILE PARACRUZ STATUS REPORT FOR JULY 2003

No questions or comments.

5-9. ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR AUGUST 2003

It was noted that there was a significant decline in ridership in August, which is due to San Jose University being out of session for the summer and job losses. Also, service on this route was reduced due to the services changes made in June.

DIRECTOR BEAUTZ ARRIVED.

5-10. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE

No questions or comments.

5-11. ACCEPT AND FILE CALL STOP AUDIT REPORT

Bryant Baehr reported that this call stop audit report shows the impact of the talking bus system.

DIRECTOR ROTKIN ARRIVED.

According to Bryant Baehr, 2,418 stops were audited. 2,305 stops were announced properly, 113 stops were not called properly and 28 of these were programming errors. Mr. Baehr is researching why the balance of stops were not called properly. The auditors gave METRO a 96.5% rating minus the one-time programming errors. Mr. Baehr is looking into how to deal with complaints that the open-door announcements are disturbing to occupants living near a bus stop. Bonnie Morr requested a “meet and confer” regarding the policy approved by the Board as it concerns discipline of bus operators when stops are not called out.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR REILLY

Direct union personnel to bring “meet and confer” concerns initially to the General Manager before coming to the Board.

Motion passed unanimously with Directors Almquist and Norton being absent.

REGULAR AGENDA

6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS

This presentation will take place at the October 24, 2003 Board Meeting

7. CONSIDERATION OF REVISING THE PUBLIC ADVISORY COMMITTEE STRUCTURE

Summary:

Les White stated that the central issue is whether the Board wants an advisory committee whose bylaws and appointments they control.

Discussion:

Sharon Barbour read a statement asking the Board to preserve the current MASTF structure. Director Rotkin requested that the items mentioned in the Summary of Issues of the staff report be given to the Board for the October 24th meeting. Concerns were expressed regarding the number of participants and the quorum in the proposed Metro Advisory Committee (MAC) bylaws. Director Spence offered several suggestions as to the proposed MAC bylaws. Director Ainsworth asked for an analysis of what benefits would be lost if the proposed Metro Advisory Committee were smaller. Paul Marcelin-Sampson questioned MASTF's claim of being an independent group when they are supplied with a budget and staff support.

8. CONSIDERATION OF AMENDING BYLAWS TO SCHEDULE THE REGULAR MEETINGS OF THE BOARD OF DIRECTORS ANNUALLY IN OCTOBER INCLUDING THOSE MEETINGS SCHEDULED WITHIN FIVE CALENDAR DAYS OF RECOGNIZED SANTA CRUZ METRO HOLIDAYS (THANKSGIVING, CHRISTMAS AND NEW YEAR'S DAY) **ACTION IS REQUIRED AT THE OCTOBER 10, 2003 BOARD MEETING**

Summary:

Margaret Gallagher explained that the change to the bylaws include changing "calendar" days to "working" days and publishing the schedule in October for the upcoming year. .

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR HINKLE

Amend the bylaws as outlined by Ms. Gallagher.

Motion passed unanimously with Directors Almquist and Norton being absent.

9. **CONSIDERATION OF CONTRACT FOR EMPLOYEE DENTAL INSURANCE COVERAGE**
DOCUMENTATION WILL BE PRESENTED FOR CONSIDERATION AT THE OCTOBER 24, 2003 BOARD MEETING

Tom Stickel explained that this item is currently being discussed with the unions.

10. **CONSIDERATION OF APPROVAL OF THE FORMATION AGREEMENT FOR THE HIGHWAY 1 WIDENING/HIGH OCCUPANCY VEHICLE (HOV) HIGHWAY CONSTRUCTION AUTHORITY (HCA)/JOINT POWERS AUTHORITY (JPA)**
DOCUMENTATION WILL BE PRESENTED FOR CONSIDERATION AT THE OCTOBER 24, 2003 BOARD MEETING

ADJOURN

There being no further business, Vice Chairperson Keogh adjourned the meeting at 10:12 a.m.

Respectfully submitted.

Dale Carr
Administrative Services Coordinator

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- Board of Directors

October 24, 2003

A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, October 24, 2003 at the Santa Cruz City Council Chambers, 809 Center Street, Santa Cruz, CA.

Chairperson Reilly called the meeting to order at 9:03 a.m.

SECTION 1: OPEN SESSION

1. ROLL CALL:

DIRECTORS PRESENT

Sheryl Ainsworth
Jan Beautz (arrived after roll call)
Michelle Hinkle
Mike Keogh
Dennis Norton
Ana Ventura Phares
Emily Reilly
Mike Rotkin
Ex-Officio Wes Scott
Pat Spence
Marcela Tavantzis

DIRECTORS ABSENT

County Seat #6 is vacant at this time

STAFF PRESENT

Bryant Baehr, Operations Manager
Margaret Gallagher, District Counsel
Steve Paulson, Paratransit Administrator
Elisabeth Ross, Finance Manager

Judy Souza, Base Superintendent
Tom Stickel, Fleet Maint. Manager
Les White, General Manager

EMPLOYEES AND MEMBERS OF THE PUBLIC WHO INDICATED THEY WERE PRESENT

Sharon Barbour, MASTF
Heather Boerner, *Sentinel*
Michael Bradshaw, CCCIL
Scott Bugental, E&D TAC
Connie/Shelly Day, MASTF/MUG
Michael Edwards, MASTF
Kasandra Fox, MASTF
Jenna Glasky, SEA
Gary Klemz, SEIU
Jeff LeBlanc, Transit Rider
Paul Marcelin-Sampson, Metro Riders
Union

Manny Martinez, PSA
Bonnie Morr, UTU
Dennie Papadopolus, MASTF
Barbie Schaller, Seniors Commission
Dave Taylor, Transit Rider
Jim Taylor, UTU
Robert Yount, Transit Rider
Amy Weiss, Spanish Interpreter
Linda Wilshusen, SCCRTC
Lesley Wright, MASTF

2. ORAL AND WRITTEN COMMUNICATION

Written:

- | | | |
|----|--|--------------------------|
| a. | Brad Neily, Californians for Disability Rights | RE: MASTF |
| b. | Jeff LeBlanc, Bus Rider | RE: MASTF |
| c. | Sharon Barbour | RE: MASTF |
| d. | Roger McKowan, Lift Line Advisory Comm. | RE: Co-mingling of rides |

Director Keogh directed staff to file the *Written Communications* received.

Oral:

Director Spence spoke regarding the letter under *Written Communication* from Sharon Barbour and stated that she had input into the revised bylaws for MASTF prior to her resignation. Only one of her suggestions was recognized in the revised bylaws.

Sharon Barbour reported that MASTF made the following motion to the Board:

- MASTF asks METRO to preserve the current METRO/MASTF structure.

Paul Marcelin-Sampson of the Metro Riders Union thanked Dale Carr, Mark Dorfman and Les White for compiling and sharing information that he requested. He added that Metro Riders Union's website "iridethebus.org" will be ready in a few weeks.

3. LABOR ORGANIZATION COMMUNICATIONS

Nothing at this time.

4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

SECTION I:
OPEN SESSION:
ADD TO ITEM #2

ORAL AND WRITTEN COMMUNICATION

- | | | |
|----|---|-------------------|
| d. | Sharon Barbour | RE: MASTF |
| e. | Roger McKowan, Lift Line Advisory Comm. | RE: Co- |
| | (Insert Letters) | Mingling of rides |

CONSENT AGENDA:
ADD TO ITEM #5-1

APPROVE REGULAR BOARD MEETING MINUTES OF
SEPTEMBER 26, 2003

(Insert Minutes)

ADD TO ITEM #5-3

ACCEPT AND FILE SEPTEMBER 2003 RIDERSHIP REPORT
(Add Page One of Ridership Report)

ADD TO ITEM #5-5

ACCEPT AND FILE AGENDA FOR THE MASTF COMMITTEE
MEETING OF OCTOBER 16, 2003 AND THE MINUTES OF THE
SEPTEMBER 25, 2003 MEETING

(Add Agenda and Minutes)

ADD TO ITEMS #5-12

ACCEPT AND FILE METROBASE STATUS REPORT
(Add Staff Report)

- ADD TO ITEM #5-13** ACCEPT AND FILE NOTIFICATION OF ACTIONS TAKEN IN CLOSED SESSION REGARDING THE FOLLOWING CLAIMS ON THE DATES INDICATED: SETTLEMENT WITH ERDEM ESENGIL ON 9/26/03
(Add Letter of Notification)
- REGULAR AGENDA:**
ADD TO ITEM #7 CONSIDERATION OF REVISING THE PUBLIC ADVISORY COMMITTEE STRUCTURE
(Add Supplemental Information)
- DELETE ITEM #8** CONSIDERATION OF AMENDING BYLAWS TO SCHEDULE THE REGULAR MEETINGS OF THE BOARD OF DIRECTORS ANNUALLY IN OCTOBER INCLUDING THOSE MEETINGS SCHEDULED WITHIN FIVE CALENDAR DAYS OF RECOGNIZED SANTA CRUZ METRO HOLIDAYS (THANKSGIVING, CHRISTMAS AND NEW YEAR'S DAY)
(Action was Taken at the October 10, 2003 Board Meeting)
- DELETE ITEM #9** CONSIDERATION OF CONTRACT FOR EMPLOYEE DENTAL INSURANCE COVERAGE
(Additional Time is Required)
- ADD TO ITEM #10** CONSIDERATION OF APPROVAL OF THE FORMATION AGREEMENT FOR THE HIGHWAY 1 WIDENING/HIGH OCCUPANCY VEHICLE (HOV) HIGHWAY CONSTRUCTION AUTHORITY (HCS)/JOINT POWERS AUTHORITY (JPA)
(Add Staff Report)
- ADD TO ITEM #11** CONSIDERATION OF APPROVAL OF THE BOARD OF DIRECTORS MEETING SCHEDULE OF 2004
(Add Staff Report)
- ADD TO ITEM #12** CONSIDERATION OF REQUEST TO PARTICIPATE IN THE NATIONAL INFORMATION SHARING AND ANALYSIS CENTER (ISAC)
(Add Staff Report)

A letter from Connie Arnold regarding MASTF was distributed at the meeting. This letter will be attached to these Minutes.

CONSENT AGENDA

- 5-1. **APPROVE REGULAR BOARD MEETING MINUTES OF SEPTEMBER 12, 2003 AND SEPTEMBER 26, 2003**
- 5-2. **ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS**
- 5-3. **ACCEPT AND FILE SEPTEMBER 2003 RIDERSHIP REPORT**
- 5-4. **CONSIDERATION OF TORT CLAIMS: None**
- 5-5. **ACCEPT AND FILE AGENDA FOR THE MASTF COMMITTEE MEETING OF OCTOBER 16, 2003 AND THE MINUTES OF THE SEPTEMBER 25, 2003 MEETING**
- 5-6. **ACCEPT AND FILE AGENDA FOR THE MUG COMMITTEE MEETING OF OCTOBER 15, 2003 AND THE MINUTES OF THE SEPTEMBER 17, 2003 MEETING**
- 5-7. **ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR AUGUST 2003**
- 5-8. **ACCEPT AND FILE PARACRUZ STATUS REPORT FOR JULY 2003**
- 5-9. **ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR AUGUST 2003**

- 5-10. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE
- 5-11. ACCEPT AND FILE CALL STOP AUDIT REPORT
- 5-12. ACCEPT AND FILE METROBASE STATUS REPORT
- 5-13. ACCEPT AND FILE NOTIFICATION OF ACTIONS TAKEN IN CLOSED SESSION REGARDING THE FOLLOWING CLAIMS ON THE DATES INDICATED: SETTLEMENT WITH ERDEM ESENGIL ON 9/26/03

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR REILLY

Approve the Consent Agenda.

Motion passed unanimously with Director Beautz being absent.

REGULAR AGENDA

6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS

The following employees were acknowledged with longevity certificates for their years of service:

FIFTEEN YEARS

Major Cummins, Bus Operator
Angel Valdez, Bus Operator

TWENTY-FIVE YEARS

Randy Swart, Lead Mechanic

7. CONSIDERATION OF REVISING THE PUBLIC ADVISORY COMMITTEE STRUCTURE

Summary:

Les White reviewed the history of the two current advisory committees to the Board: Metro Users Group (MUG) and Metro Accessible Services Transit Forum (MASTF) and discussed their creation and affiliation with the Board. He outlined concerns brought before the Board by former MASTF members regarding the election process and membership. Staff was directed to review the construction, support and bylaws of MUG and MASTF and return to the Board with options for advisory committees that are traditionally found in public transit. Mr. White used this information and proposed a set of bylaws for an advisory committee, which would be appointed by the Board with bylaws approved by the Board.

Discussion:

Several Directors expressed concern that the proposed advisory committee membership would be too large to be efficient. Chairperson Reilly opened the floor to the public for discussion.

Dennis Papadopolus – Mr. Papadopolus has been a member of MASTF since inception. He is in favor of Mr. White's proposed Metro Advisory Committee (MAC) and stated that this would be a way to resolve all the MUG and MASTF problems they have had in the past.

Lesley Wright, MASTF – Ms. Wright expressed her gratitude for having MASTF as a resource to help her find solutions to problems she has encountered with the bus system. She would like to see MASTF remain in tact as it currently stands. She stated that she believes a breakdown in communication between METRO and MASTF is the source of the current difficulties and she encouraged open communication.

Ernestina Saldana - Ms. Saldana is currently on the ParaCruz Appeals Panel. However, she stated that she feels her community is under attack and she has opted to stand united with them in opposition to staff's recommendation that MASTF be eliminated. Therefore, Ms. Saldana has tendered her resignation from the ParaCruz Appeals Panel effective Monday, October 27th, 2003 at 12:00 p.m. A copy of Ms. Saldana's resignation is attached to these Minutes.

Michael Edwards – Mr. Edwards has been a member of MASTF for approximately six years. He stated that the excellent communication between management, the bus operators and the transit users has deteriorated over a period of time. He added that the membership and elections within MASTF have become very convoluted. Mr. Edwards is in favor of Mr. White's proposed advisory committee.

Barbie Schaller – Ms. Schaller represents the Seniors Commission, MUG and MASTF. She stated that she would like the Board to rethink the suggestion of another advisory group, however, if the Board decides to go with the Metro Advisory Committee (MAC), she asked that the percentage of senior and disabled advocates be much larger than what is currently being proposed by Mr. White.

Brad Neily – Mr. Neily is with the Californians for Disability Rights. Mr. Neily spoke regarding MASTF's bylaws and membership. He cited the three sub-committees of MASTF as being: the Bus Stop Advisory Committee, Training and Procedures, and Bus Driver Sensitivity Training. He added that the elimination of MASTF would mean loss of direct participation in the decision-making process at other internal levels of the District.

Bob Yount – Mr. Yount spoke of MASTF and its voting requirements and commented that the membership requirements of MASTF were crafted to consider problems encountered by the disabled community. He added that members of the disabled community were more comfortable at MASTF than they might be at a regular committee meeting. Mr. Yount is in favor of retaining MASTF as it currently stands. A copy of Mr. Yount's letter is attached to these Minutes.

Jeff LeBlanc – Mr. LeBlanc has been a member of MASTF for fourteen years and spoke in favor of retaining MASTF as it currently stands. He asked that the Board reject the proposed Metro Advisory Committee recommendation submitted by staff. Mr. LeBlanc's letter is attached to these Minutes.

Connie Day – Ms. Day and her husband have been members of MUG for several years. She stated that if the Board decides to sever MASTF, it would be disasterous as she and her husband depend on this group as members of the disabled and senior community. She pleaded with the Board to keep MASTF in tact.

Stuart Rosenstein – Mr. Rosenstein is a member of MUG and has lived in Santa Cruz for six years. He supports the proposed Metro Advisory Committee and stated that a broader membership all in the same room would be great. He is also supportive of the Directors appointing two members each and stated that this would build great relationships and bring accountability to the group.

CHAIRPERSON REILLY RECESSED THE BOARD MEETING AT 10:00 A.M. FOR THE ANNUAL MEETING OF THE SANTA CRUZ CIVIC IMPROVEMENT CORPORATION AND RECONVENED TO THE BOARD MEETING AT 10:04 A.M.

Scott Bugental – Mr. Bugental is a member of the Elderly & Disabled Transit Access Committee (E&D TAC) and the former director of the Lift Line Program. However, he is speaking on his own behalf today. Mr. Bugental is not in favor of the proposed Metro Advisory Committee. He added that E&D TAC is also opposed to this proposal. His reasoning is that MASTF has some roles with the transit district that relate to the paratransit plan and ADA service that would not be well met by a broader group. He added that a MASTF member also sits on the ParaCruz appeals panel.

Michael Bradshaw – Mr. Bradshaw works at the Central Coast Center for Independent Living (CCCIL) and is on the E&D TAC. His son also uses ADA paratransit. Mr. Bradshaw stated that he believes there is an alternate agenda at work and cites this as the reason behind doing away with MUG and MASTF. He commented that the elimination of MASTF would silence the disabled community concerning transit. Mr. Bradshaw added that he believes MASTF provided monetary savings and possible lawsuits to the district by providing a place to get a better understanding of transit issues.

Kasandra Fox – Ms. Fox has been a member of MASTF for several years. She stated that she helped train bus operators on how to deal with people in wheelchairs. Ms. Fox added that MASTF is unique and if it is replaced with political appointees, it would not have the same input.

Sharon Barbour – Ms. Barbour spoke on behalf of Ed Kramer who could not attend this meeting. Mr. Kramer stated in his email to Ms. Barbour that he feels MASTF has a place in METRO as a platform for the disabled community.

Ms. Barbour, Chair of MASTF, spoke regarding her letter, which is included under *Written Communications*. She stated that concerns were recently brought to MASTF from METRO that METRO has had issues with MASTF for a period of time. She added that these issues were not brought to MASTF's attention. Certain issues that were brought to MASTF's attention, such as the cost of sending out agenda packets, were all addressed by MASTF in a timely manner. As the Chairperson speaking for MASTF, Ms. Barbour stated that MASTF has had a very strong relationship with METRO and she doesn't want to sever that relationship.

R. Paul Marcelin-Sampson – Mr. Marcelin is with the Metro Riders Union and is speaking as a former political appointee and a former appointee of MUG. He commented that Santa Cruz is different enough to have a riders advisory committee comprised of seniors, disabled, students and parents all around the same table.

PUBLIC COMMENT WAS CLOSED AT THIS TIME.

Director Rotkin is in favor of retaining a special relationship with MASTF, as an independent entity. However, he doesn't think MASTF should be in a position to direct METRO staff. He is in favor of MASTF retaining a place on the agenda for the Board to receive its agendas and minutes. He added that communication should be improved between METRO and MASTF. He is in favor of a group that is more structured and appointed by the public.

Director Beautz has been convinced of the value of having MASTF as a separate organization. She is, however, concerned about MASTF's structure and voting requirements and if these are being manipulated. Director Beautz commented that she would like to see changes in the bylaws to make MASTF a more traditional committee while still being a separate group.

Ex Officio Director Scott stated that a broad representative group would be an excellent way to have representation for the community at large. He is concerned about the size of the proposed group, however, his recent experience with a similarly sized group proved to be a positive one.

Director Phares agrees that MASTF is a very special group, however, she added that to continually be separate is not helpful. She encouraged a mutual understanding between the disabled community and other transit riders to provide more efficient service which would be improved because of the different groups around the same table. Director Phares is in favor of a broader group.

Director Keogh is convinced of the need for communication from the elderly and disabled community, however, he is not convinced that two different committees are needed. He supports staff's recommendation with the proviso of the absolute understanding that the elderly and disabled be represented on the committee.

Director Norton noted that he understands that MASTF could still exist regardless of the Board's action. He suggested the Board look at whether METRO should provide staff and financial/communication links to the Board. He would like to see MASTF survive. He suggested that one of the two appointments made by each director be from the elderly and disabled communities so at least 50% of the new advisory committee would be from this population.

Director Tavantzis thanked the members of MASTF who met with her. She sees the MASTF bylaws as the biggest obstacle with the Board wanting more control and MASTF having good reasons why the bylaws are set up like they are. Director Tavantzis stated that MASTF should possibly remain an independent group instead of being METRO's sub-committee. She is interested in still hearing from MASTF as their input is valuable, but she added that if the Board does not have input into their bylaws, they cannot be an official advisory committee.

Director Spence stated that she and Director Hinkle have both served as members of the Board and as members of MASTF. She added that members of MASTF have been so discouraged that they resigned. She commented that it is important that METRO has a group that advises specifically on METRO issues rather than disabled rights as a whole. She is in support of a new group being formed. Director Spence added that the appeal panel appointee does not need to be a member of MAC. Lastly, she stated that a broad-based committee would be better and the time and place of the meeting is important to include people who work and who are transit dependent and ride the bus. She stated the MASTF would be on an equal playing field with the Metro Riders Group.

ACTION: MOTION: DIRECTOR SPENCE SECOND: DIRECTOR KEOGH

Adopt Staff Recommendation to remove MASTF and MUG from the METRO Board Bylaws and establish a new METRO Advisory Committee that reflects the type of structure typical to public agencies.

Director Ainsworth expressed concern that the MASTF bylaws dictate what staff will do for them. She asked if MASTF could be independent, have no accountability and still ask for staff support and financial assistance. The heart of the issue is how much staff support, money and official role will we give MASTF. Director Ainsworth stated that she agrees that staff needs to be at all MASTF meetings. The question is whether staff is going to take minutes, provide agendas and clerical help for an independent organization.

Director Reilly also thanked those members of MASTF who spoke with her. She emphasized the importance of the Board hearing from the elderly and disabled community. She sees value of having both an independent MASTF and a Board advisory committee.

AMENDMENT TO MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR BEAUTZ

Incorporate current METRO Board bylaws language of Item 14.01(i) into the language for the revised Board bylaws making it Item 14.01(ii). METRO staff shall decide the appropriate level of staff support for MASTF.

Discussion continued:

Director Beautz stated that the Board needs to set the level of support, not the staff; **that the amendment would put staff in the middle. The Board needs to make that decision today.** She added that some level of support is okay but that notices, agendas, and minutes should be done by the group (MASTF) itself.

Director Reilly added that her idea of a level of support is staff attending meetings and sending out electronic notices of meetings.

Director Keogh doesn't want to put staff in the middle. He supports the amendment to make MASTF an independent agency. He added that one staff attendee and electronic notification of meetings should be the limit of staff participation.

Director Spence stated that she doesn't want METRO-paid staff to do minutes or even electronic distribution of the agendas.

Director Rotkin stated that his amendment consists of two parts. It appears that there is a consensus that the first part of the amendment should be incorporated into the main motion. Then he inquired of Director Spence whether she wished to take the first part into the main motion by way of a friendly amendment. It was agreed that the first part of the motion, that is that the current language in the METRO Board Bylaws at Section 14.1 (i) would be moved to Section 14.1 (ii). Director Rotkin stated that the second portion of

the proposed amendment, that of the appropriate staffing level for MASTF, would need further discussion by the Board.

Director Ainsworth commented that the minutes should be taken by a MASTF member. METRO should pay expenses associated with copying costs of agenda packets and the notification process. She further added that once staff receives the agendas and minutes, staff would send them out and notice them up. METRO will provide information in the *Headways* of meeting times. For people who don't want the agendas electronically, METRO would mail them out.

Director Beautz stated to send only one staff person, to be determined by our staff based on the agenda, to the MASTF meetings and this person will remain consistent. She added that meeting notices and agendas should be sent out by a staff member. Staff should not do minutes or tape recording of the minutes. Director Beautz stated that she would support the motion if the term "technical assistance" were taken out.

Director Hinkle stated that MASTF thinks if the word "official" is not used in conjunction with that committee, that it would not be heard as much by the Board.

AMENDMENT: DIRECTOR ROTKIN SECOND: DIRECTOR BEAUTZ

Add language to the METRO Bylaws as follows: The District shall regularly send one staff member to the MASTF meetings and this person shall share information from the District and gather concerns from MASTF. The District shall help in the preparation and distribution of meeting notices and agendas. Information on MASTF will remain in the *Headways* publication.

Les White asked for a point of clarification: He stated that the MASTF bylaws have a direction for a specific individual from the staff and he asked the Board if that is the will of the Board that this continues. Director Beautz responded that the one staff member is at Les White's discretion. Director Rotkin clarified that METRO staff would not tape record the MASTF meetings nor would they record minutes of MASTF meetings.

Amendment passed by a vote of eight to two.

ACTION: MAIN MOTION WITH AMENDMENT INCORPORATED

Remove MUG from the METRO Board Bylaws and establish a new METRO Advisory Committee that reflects the type of structure typical to public agencies. Incorporate current METRO Board bylaws language of Item 14.01(i) into the language for the revised Board bylaws making it Item 14.01(ii). Add language to the METRO Bylaws as follows: The District shall regularly send one staff member to the MASTF meetings and this person shall share information from the District and gather concerns from MASTF. The District shall help in the preparation and distribution of meeting notices and agendas. Information on MASTF will remain in the *Headways* publication.

Motion passed unanimously.

Chairperson Reilly was asked by Bonnie Morr to hear one person who was late for Oral Communications:

Elisa Hernandez – Ms. Hernandez is the Acting Secretary of Committee of Adjustment and the labor representative from UTU for Lift Line. She received documentation that approximately ten Lift Line drivers would be laid off by November 1 plus a dispatcher and one in-take person. Community Bridges is planning to use the cab services to make up the difference for the loss of drivers. According to the labor contract, this seems to border on an unfair labor practice.

CHAIRPERSON REILLY ADJOURNED TO CLOSED SESSION AT THIS TIME.

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

Margaret Gallagher reported that the Board would discuss one case of anticipated litigation and one real property issue regarding APN 086-102-14. Les White, METRO's negotiator, would receive instructions regarding price and terms..

14. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

None

SECTION II: CLOSED SESSION

Chairperson Reilly adjourned to Closed Session at 11:24 a.m. and reconvened to Open Session at 11:55 a.m.

SECTION III: RECONVENE TO OPEN SESSION

15. REPORT OF CLOSED SESSION

Margaret Gallagher had nothing to report at this time.

8. DELETED – ACTION TAKEN AT THE OCTOBER 10, 2003 BOARD MEETING

9. DELETED – ADDITIONAL TIME IS REQUIRED

10. CONSIDERATION OF APPROVAL OF THE FORMATION AGREEMENT FOR THE HIGHWAY 1 WIDENING/HIGH OCCUPANCY VEHICLE (HOV) HIGHWAY CONSTRUCTION AUTHORITY (HCA)/JOINT POWERS AUTHORITY (JPA)

Summary

Les White reported that METRO received a communication from the Highway 1 JPA working group to develop a formation agreement for the creation of a JPA to oversee the Highway 1 widening and High Occupancy Vehicle (HOV) project. The cities of Scotts Valley, Capitola,

Watsonville and the County of Santa Cruz have all approved entering into the agreement. The City of Santa Cruz will be reconsidering this at its October 28th City Council meeting. The agreement will obligate METRO to pay 10% (or approximately \$7,500) of the funding needed for JPA expenses incurred which are not covered under Project Approval/Environmental Document (PA/ED) oversight function. Mr. White recommends that METRO be allowed to pay this amount in full in the second year out of the FY 04/05 budget.

Staff recommends that the Board authorize execution of this agreement since it would be in METRO's best interests to be involved to ensure nothing would preclude METRO from using the HOV aspects of the design and to provide input on how it would affect service, park & ride lots, etc.

ACTION: MOTION: DIRECTOR BEAUTZ SECOND: DIRECTOR NORTON

Approve the Formation Agreement for the Highway 1 Widening/HOV HCA/Joint Powers Authority and request that the first two year's funding requirement be payable in Fiscal Year 2004/2005.

Motion passed with Director Rotkin voting no and Directors Phares and Reilly being absent.

Director Rotkin commented that he is concerned there might be undisclosed liability in terms of legal issues and that METRO might be burdened with financial costs as a result of possible legal action.

11. CONSIDERATION OF APPROVAL OF THE BOARD OF DIRECTORS MEETING SCHEDULE FOR 2004

ACTION: MOTION: DIRECTOR BEAUTZ SECOND: DIRECTOR ROTKIN

Adopt the 2004 Board Meeting schedule as presented in the staff report.

Motion passed unanimously with Director Phares and Reilly being absent.

12. CONSIDERATION OF REQUEST TO PARTICIPATE IN THE NATIONAL INFORMATION SHARING AND ANALYSIS CENTER (ISAC)

Summary:

Bryant Baehr reported that the Department of Transportation, the Department of Homeland Security, FTA, and Transportation Security Administration set up a clearinghouse for information as it relates to cyber attacks and computer attacks. APTA has been designated as the sector coordinator. The federal government has provided a \$1.2 million grant to fund this service for a two-year period. There is no cost to METRO during this trial period. Mr. White added that all agencies involved share information on what they do to protect themselves.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR AINSWORTH

Approve METRO's participation in the National Information Sharing and Analysis Center (ISAC) and authorize the General Manager to execute the necessary Participation Agreement.

Discussion:

Bonnie Morr asked if there would be information on the protective dividers placed between the drivers and passengers. Mr. Baehr responded that all types of information would be reviewed. He added that the IT Department would coordinator most of the data since most of this will be cyber related. Staff will return to the Board in two years to see if they would like to continue to be a member of this organization.

Motion passed unanimously with Directors Phares and Reilly being absent.

ADJOURN

There being no further business, Vice Chairperson Keogh adjourned the meeting at 12:08 p.m.

Respectfully submitted.

DALE CARR
Administrative Services Coordinator

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
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DATE: 10/01/03 THRU 10/31/03

CHECK NR	CHECK DATE	CHECK VENDOR AMOUNT	VENDOR NAME	VENDOR TRANS. TYPE NUMBER	TRANSACTION DESCRIPTION	TRANSACTION COMMENT AMOUNT
313	10/03/03	86.76 001	SBC	83862	SEP PHONE LINES	86.76
314	10/03/03	4,070.30 001014	TRANSIT RESOURCE CENTER	83863	PT INSPCT 7/24-8/31	4,070.30
315	10/03/03	325.00 001016	ALLARD'S SEPTIC SERVICE, INC.	83864	HAZ WASTE DISPOSAL	325.00
316	10/03/03	12,263.27 001063	NEW FLYER INDUSTRIES LIMITED	83865	REV VEH PARTS 954	963.87
				83866	REV VEH PARTS 1321	1,321.18
				83867	REV VEH PARTS 2599	2,698.56
				83868	REV VEH PARTS 851	851.43
				83869	REV VEH PARTS 5021	5,021.00
				83870	REV VEH PARTS 1153	1,152.95
				83871	REV VEH PARTS 254	254.26
317	10/03/03	183.63 001315	WASTE MANAGEMENT OF SC CO	83872	SEP MT HERMON/KINGS	41.60
				83873	SEP KINGS VILLAGE	142.03
318	10/03/03	73,737.38 001316	DEVCO OIL	83874	SEP FUEL	73,737.38
319	10/03/03	470.00 001492	EVERGREEN OIL INC.	83875	HAZ WASTE DISPOSAL	470.00
320	10/03/03	726.00 001523	SANTA CRUZ MEDICAL CLINIC	83876	AUG MEDICAL EXAMS	726.00
321	10/03/03	16,359.75 001616	UNUM	83877	OCT LTD INSURANCE	16,359.75
322	10/03/03	4,324.23 001745	HARTFORD LIFE	83873	OCT LIFE/AD&D INS	4,324.23
323	10/03/03	329.00 001752	THOMPSON PUBLISHING GROUP, INC.	83879	FAIR LABOR HMBK/FIN	329.00
324	10/03/03	179,132.88 001762	COMMUNITY BRIDGES	83880	AUG ADA PARATRANSIT	179,132.88
325	10/03/03	10,570.38 002116	HINSHAW, EDWARD & BARBARA	83881	120 DUBOIS 1/1-6/30	10,570.38
326	10/03/03	2,000.00 002267	SHAW & YODER, INC.	83882	AUG LEGISLATIVE SVCS	2,000.00
327	10/03/03	569.89 002278	CHEMSEARCH	83883	PUREWASH SYSTEMS	569.89
328	10/03/03	235.00 002448	CLEARVIEW WINDOWS	83334	WTC WINDOW CLEANING	235.00
329	10/03/03	1,887.75 002607	CTC ANALYTICAL SERVICES INC.	33335	OUT REPAIR REV VEH	1,887.75
330	10/03/03	275.60 002627	CDW GOVERNMENT, INC.	33336	PRINTER STAND/IT	275.60
331	10/03/03	84.40 004	NORTH BAY FORD LINC-MERCURY	33337	REV VEH PARTS	84.40
332	10/03/03	185.24 007	UNITED PARCEL SERVICE	83888	AUG/SEP FREIGHT OUT	185.24
333	10/03/03	2,308.06 009	PACIFIC GAS & ELECTRIC	33339	8/12-9/11 KINGS VLG	940.43
				83890	8/12-9/11 KINGS VLG	436.79
				83891	8/12-9/11 KINGS VLG	17.47
				83892	8/15-9/15 PAUL SWT	96.63
				83893	8/29-9/29 RODRIGUEZ	708.74
				33394	8/29-9/29 RODRIGUEZ	23.41
				33395	8/29-9/29 BEACH ST	84.59
334	10/03/03	119.11 013	MCI SERVICE PARTS, INC.	83896	REV VEH PARTS	119.11
335	10/03/03	2,540.51 018	SALINAS VALLEY FORD SALES	33397	OUT REPAIR/#001	1,455.14
				33696	REV VEH PARTS/SUPPLY	1,085.37
336	10/03/03	505.78 020	ADT SECURITY SYSTEMS	83899	TELCOM FAILURE/MOF	138.13
				83900	OCT ALARMS	367.65
337	10/03/03	70.29 061A	REGISTER PAJARDONIAN	83901	CLASSIFIED AD	70.29
338	10/03/03	301.03 074	KENVILLE & SONS LOCKSMITH	83902	AUG/SEP LOCKS/KEYS	301.03
339	10/03/03	357.20 104	STATE STEEL COMPANY	83903	PARTS & SUPPLIES	357.20
340	10/03/03	52.98 115	SNAP-ON TOOLS CORPORATION	33944	REPAIR TORQUE WRENCH	52.98
341	10/03/03	50.76 117	GILLIG CORPORATION	83905	REV VEH PARTS	50.76
342	10/03/03	1,917.67 130	WATSONVILLE CITY WATER DEPT.	83906	CONTAINER RODRIGUEZ	1,262.64
				83907	7/1-9/4 RODRIGUEZ	509.82
				83908	7/1-9/4 RODRIGUEZ	61.33
				83909	7/1-9/4 RODRIGUEZ	63.88
343	10/03/03	191.59 149A	SENTINEL NEWSPAPER	83910	SUBSCRIPTION/ADMIN	191.59
344	10/03/03	2,544.05 156	PRINT GALLERY, THE	83911	PRINT ROUTE STICKERS	2,544.05

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
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845	10/03/03	3,963.28	183 BAYSHORE TRUCK EQUIPMENT CO.	83912	REBUILD DIFFERENTIAL	3,963.28	
846	10/03/03	283.08	135 WILSON, GEORGE H., INC.	83913	OUT REPAIR BLDGS/IMP	283.08	
847	10/03/03	902.22	191 GOLDEN GATE PETROLEUM	83914	SEP FUEL - FLEET	902.22	
848	10/03/03	139.83	232 GRAINGER INC. W.W.	83915	REPAIRS/MAINTENANCE	33.20	
				83916	TORQUE WRENCH	106.63	
849	10/03/03	164.59	288 MUNCIE TRANSIT SUPPLY	83917	REV VEH PARTS	164.59	
850	10/03/03	105.01	372 FEDERAL EXPRESS	83918	JUN MAILINGS/FLT	49.54	
				83919	JUL/AUG MAILINGS	55.47	
851	10/03/03	189.96	378 STEWART & STEVENSON	83920	REV VEH PARTS	189.96	
852	10/03/03	569.16	339 KEN'S AUTO PARTS, INC.	83921	CLEANING SUPPLIES	569.16	
853	10/03/03	119.46	395 APPLIED GRAPHICS, INC.	83922	TIRE CNTRL CARD/FLT	119.46	
854	10/03/03	53.65	4345 VERIZON CALIFORNIA	83923	MT. BIEWLASKI	53.65	
855	10/03/03	330.48	435 WEST GROUP PAYMENT CTR	83924	AUG ACCESS CHGS	330.48	
856	10/03/03	49.50	461 VULTRON INC.	83925	SHIPPING/BATTERY PK	49.50	
857	10/03/03	180.00	481 PIED PIPER EXTERMINATORS, INC.	83926	SEP PEST CONTROL	180.00	
858	10/03/03	60.00	490 FAST RESPONSE ON-SITE	83927	PROF/TECH SVCS	60.00	
859	10/03/03	189,978.81	502 CA PUBLIC EMPLOYEES'	83928	OCT MEDICAL INS	189,978.81	
860	10/03/03	626.79	504 CUMMINS WEST, INC.	83929	REV VEH PARTS	626.79	
861	10/03/03	240.00	615 CALPELRA	83930	ANNUAL MEMBRSHF FEE	240.00	
862	10/03/03	399.00	615A CALPELRA	83931	ANNUAL CONF 11/12-14	399.00	
863	10/03/03	240.00	532 GOVERNMENT FINANCE OFFICERS	83932	MEMBERSHIP RENEW/FIN	240.00	
864	10/03/03	1,539.00	639 72 DEGREES	83933	REPAIR AC/111 DUB	1,053.00	
				83934	RPR EXHAUST FAN/MET	198.00	
				83935	ADJUST AIR BALNC/MET	288.00	
865	10/03/03	672.08	647 GF I GENFARE	83936	REV VEH PARTS	672.08	
866	10/03/03	187.85	667 CITY O F SCOTTS VALLEY	83937	7/15-9/15 KINGS VLG	187.85	
867	10/03/03	34.99	669 COMPUTER BOOK DIRECT	83938	BOOK/IT 3 5	34.99	
868	10/03/03	5,023.80	679 FIRST TRANSIT, INC.	83939	AUG BUS INSPECTION	5,023.80	
869	10/03/03	70.00	682 KISS, AMY L.	83940	PROF SVCS 9/26	70.00	
870	10/03/03	9,056.25	633 TRISTAR RISK MANAGEMENT	83941	OCT WC SVC FEE	9,056.25	
871	10/03/03	298.16	599 SALINAS CASH RESISTER	33942	OUT REPAIR EQUIP/OPS	298.16	
372	10/03/03	88.28	732 NSTC	83943	FGR STEAM CLEANER	88.28	
873	10/03/03	1,063.10	733 CLAREMONT BEHAVIORAL SERVICES	83944	PROF/TECH SVCS 6/19	225.00	
				83945	OCT EAP PREMIUM	838.10	
874	10/03/03	62.50	749 ACM MEDICAL LABORATORY, INC.	83946	7/17/03 SERVICES	62.50	
875	10/03/03	308.05	788 SCHTD PETTY CASH - FINANCE	83947	PETTY CASH/FINANCE	308.05	
876	10/03/03	1,904.00	852 L A W OFFICES OF MARIE F. SANG	83948	WORKERS COMP CLAIM	182.00	
				83949	WORKERS COMP CLAIM	406.00	
				83950	WORKERS COMP CLAIM	1,316.00	
377	10/03/03	296.00	884 UNITED STATES POSTAL SERVICE	83951	BOOKS/CMPS	296.00	
378	10/03/03	7,175.96	909 CLASSIC GRAPHICS	83952	OUT REPAIR I.P. REV VEH	7,175.96	
379	10/03/03	1,035.83	919 SALINAS COLLISION REPAIR	83953	OUT REPAIR/#001	1,035.83	
380	10/03/03	124,229.08	975 TRISTAR RISK MANAGEMENT NO. 2	83954	SEP TRUST ACCOUNT	124,229.08	
381	10/03/03	100.00	B001 AINSWORTH, SHERYL	83959	SEP BOARD MEETING	100.00	
382	10/03/03	100.00	B002 ALMQUIST, JEFF	83960	SEP BOARD MEETING	100.00	
383	10/03/03	100.00	B003 BEAUTZ, JAN	83961	SEP BOARD MEETING	100.00	
384	10/03/03	50.00	B006 HINKLE, MICHELLE	83962	SEP BOARD MEETING	50.00	
385	10/03/03	100.00	B007 KEOSH, MICHAEL	83963	SEP BOARD MEETING	100.00	
386	10/03/03	50.00	B010 NORTON, DENNIS	83964	SEP BOARD MEETING	50.00	
387	10/03/03	100.00	B011 REILLY, EMILY	83965	SEP BOARD MEETING	100.00	

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888	10/03/03	100.00	B012 SPENCE, PAT		83968	SEP BOARD MEETING	100.00	
889	10/03/03	50.00	B013 VENTURA PHARES, ANA		83965	SEP BOARD MEETING	50.00	
890	10/03/03	50.00	B014 CITY OF WATSONVILLE		83969	SEP BOARD MEETING	50.00	
891	10/03/03	100.00	B015 ROTKIN, MIKE		83967	SEP BOARD MEETING	100.00	
892	10/03/03	44.00	E022 CUMMINGS, PATRICIA		83955	DMV/VTT FEES	44.00	
893	10/03/03	10.00	E028 SERRATO, JUAN		83956	VTT FEES	10.00	
894	10/03/03	10.00	E040 CALDERON, SALVADOR		83957	VTT FEES	10.00	
895	10/03/03	64.00	E282 SALGUEIRO, MICHAEL L.		83958	DMV FEES/FLEET	64.00	
896	10/17/03	594.82	001 SBC		84124	SEP PHONE LINE - IT	594.82	
897	10/17/03	3,190.00	001022 MACHINERY & EQUIPMNT APPRAISAL		83971	EQUIP APPRAISALS/MB	3,190.00	
898	10/17/03	9,719.50	001043 VISION SERVICE PLAN		83972	OCT VISION INSURANCE	9,719.50	
899	10/17/03	766.10	001063 NEW FLYER INDUSTRIES LIMITED		83973	REV VEH PARTS 87	86.84	
					83974	REV VEH PARTS 73	72.68	
					83975	REV VEH PARTS 36	35.50	
					83976	REV VEH PARTS 98	97.92	
					83977	REV VEH PARTS 53	52.62	
					83978	REV VEH PARTS 334	333.80	
					83979	REV VEH PARTS 87	86.74	
900	10/17/03	1,407.05	001119 MADERICH PARTNERSHIP LP		83980	NOV - CAPITOLA MALL	1,407.05	
901	10/17/03	923.00	001257 DOMINICAN HOSPITAL OF S C		83981	AUG DRUG TESTING	923.00	
902	10/17/03	330.10	001296 LEXISNEXIS MATTHEW BENDER		83982	CA EMP LAW REL#28	330.10	
903	10/17/03	845.84	001346 CITY OF SANTA CRUZ		83983	PARKING DEF FEES	845.84	
904	10/17/03	7,178.14	001365 BORTNICK, ROBERT S & ASSOC		83984	CALL STOP SURVEY	5,000.00	
					83985	INVESTIGATIVE SVCS	2,178.14	
905	10/17/03	3,759.00	001492 EVERGREEN OIL MC.		83986	HAZ WASTE DISPOSAL	3,759.00	
906	10/17/03	16.94	001648 STEVE'S UNION		83987	SEP FUEL	16.94	
907	10/17/03	1,213.15	001800 THERMO KING OF SALINAS, INC		83988	OCT REPAIR/PARTS/SUP	1,213.15	
908	10/17/03	120.31	001921 GLOBAL EQUIPMENT CO.		83989	SAFETY SUPPLIES	120.31	
909	10/17/03	144.75	001936 MCI		84126	NOV LONG DISTANCE	144.75	
910	10/17/03	257.00	001992 LRP PUBLICATIONS		83990	DISABILITIES-FED LAW	257.00	
911	10/17/03	2,439.09	001A SBC/MCI		83991	SEP PHONE LINE/IT	92.28	
					83992	SEP PHONE LINE/IT	42.45	
					83993	SEP PHONE LINE/IT	42.45	
					84125	SEP PHONES	2,261.91	
912	10/17/03	88.38	002028 WESTCOAST LEGAL SERVICE		83994	PROF/TECH SVCS	88.38	
913	10/17/03	109.16	002063 COSTCO		83995	PHOTO PROCESS/OFS	40.12	
					83996	PHOTO PROCESS/RISK	7.70	
					83997	PHOTO PROCESS/OFS	29.14	
					83998	PHOTO PROCESS/OFS	32.20	
914	10/17/03	30,661.16	002116 EDWARD & BARBARA		83999	NOV - 120 DUBOIS	6,248.32	
					84000	NOV - 370 ENCINAL	24,412.84	
915	10/17/03	10,676.78	002117 IULIANO, NICK		84001	NOV - 111 DUBOIS	10,676.78	
916	10/17/03	933.46	002163 BAY HYDRAULICS, INC.		84002	REV VEH PARTS	933.46	
917	10/17/03	10,423.14	002287 CALIFORNIA SERVICE EMPLOYEES		84003	OCT MEDICAL	10,423.14	
918	10/17/03	3,750.00	002346 CHANEY, CARDLYN & ASSOC., INC.		84004	OCT LEGISLATIVE SVCS	3,750.00	
919	10/17/03	760.00	002385 OPTIMUM BUSINESS MACHINES		84005	MAINT COPIER/ENC	760.00	
920	10/17/03	2,374.72	002610 FREDERICK ELECTRONICS CORP.		84006	NOV - 375 ENCINAL	2,374.72	
921	10/17/03	194.61	002639 NEXTEL COMMUNICATIONS		84007	8/26-9/25 PHONES	194.61	
922	10/17/03	253.80	002643 IQS CAPITAL		84008	10/22-11/21 CANON	253.80	
923	10/17/03	621.00	002674 WESTERN HIGHWAY PRODUCTS, INC.		84009	SURFC MNT BASE-FOLES	621.00	

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924	10/17/03	345.39	002707	PITNEY BOWES CREDIT CORP		84010	9/30-12/30 RENTAL	345.39	
925	10/17/03	53.67	004	NORTH BAY FORD LINC-MERCURY		84011	REV VEH PARTS	53.67	
926	10/17/03	7,495.18	009	PACIFIC GAS & ELECTRIC		84012	8/27-9/26 SAKATA LN	10.65	
						84013	8/30-9/30 GOLF CLUB	1,262.48	
						84014	8/30-9/30 RIVER ST	1,485.51	
						84015	8/30-9/30 RIVER ST	84.25	
						84016	5/29-9/26 SAKATA LN	42.94	
						84017	8/30-10/1 HARVEY WST	37.50	
						84018	8/30-10/1 111 DUB	664.35	
						84019	8/30-10/1 111 DUB	226.66	
						84020	8/30-10/1 370 ENC	2,360.00	
						84021	8/30-10/1 370 ENC	47.51	
						84022	9/5-10/6 PACIFIC	779.78	
						84023	9/5-10/6 PACIFIC	377.34	
						84024	9/5-10/6 PACIFIC	116.21	
927	10/17/03	477.76	020	ADT SECURITY SYSTEMS		84025	REPLACE ALRM PNL/OPS	477.76	
928	10/17/03	59.65	021	WHOLY WATER		84026	OUTREPAIREQUIPMENT	50.65	
929	10/17/03	135.82	934	BLUEPRINT EXPRESS		84027	PRINTING/METROBASE	135.82	
930	10/17/03	1,600.05	039	KINKO'S INC.		84928	SEP PRINTING	1,600.05	
931	10/17/03	2,351.74	941	MISSION UNIFORM		84029	SEP UNIFORMS/LAUNDRY	461.86	
						84030	SEP UNIFORMS/LAUNDRY	1,889.88	
932	10/17/03	104.48	042	ORCHARD SUPPLY HARDWARE		84031	REPAIRS/MAINTENANCE	104.48	
933	10/17/03	1,683.91	943	PALACE ART & OFFICE SUPPLY		84032	OFFICE SUPPLIES	1,683.91	
934	10/17/03	240.00	067	ROTO-ROOTER SEWER/PLUMBING		84033	OUT REPAIR BLDGS/IMP	130.00	
						84034	OUT REPAIR BLDGS/IMP	110.00	
935	10/17/03	160.65	975	COAST PAPER & SUPPLY INC.		84035	CLEANING SUPPLIES	160.65	
936	10/17/03	2,636.00	080	STATE BOARD OF EQUALIZATION		84036	JUL-SEP USE TAX	2,636.00	
937	10/17/03	1,858.78	080A	STATE BOARD OF EQUALIZATION		84037	JUL-SEP FUEL TAX	1,858.78	
938	10/17/03	604.78	081	KAR PRODUCTS		84038	REV VEH PARTS/SUPPLY	604.78	
939	10/17/03	6,717.29	985	DIXON & SON TIRE, INC.		84039	OUT REPAIR REV VEH	370.32	
						84040	SEP TIRES/TUBES	6,346.97	
940	10/17/03	118.84	987	RECOGNITION SERVICES LTD.		84041	EMP INCENTIVE 19 4	118.84	
941	10/17/03	201.50	090	CRYSTAL SPRINGS WATER CO.		84042	SEP WATER FLEET	201.50	
942	10/17/03	1,972.74	107	SAN LORENZO LUMBER CO., INC.		84043	REPAIRS/MAINTENANCE	1,972.74	
943	10/17/03	2,374.94	110	JESSICA GROCERY STORE, INC.		84044	NOV CUSTODIAN SVCS	2,374.94	
944	10/17/03	757.61	117	GILLIG CORPORATION		84045	REV VEH PARTS	515.70	
						84046	REV VEH PARTS	241.91	
945	10/17/03	3,289.79	134	DAY WIRELESS SYSTEMS		84047	SEP OUT REPAIR EQUIP	3,289.79	
946	10/17/03	1,184.25	135	SANTA CRUZ AUTO PARTS, INC.		84048	REV VEH PARTS /SUPPLY	1,184.25	
947	10/17/03	185.26	147	ZEE MEDICAL SERVICE		84049	SAFETY SUPPLIES	185.26	
948	10/17/03	1,649.16	148	ZEP MANUFACTURING COMPANY		84050	CLEANING SUPPLIES	1,284.23	
						84051	CLEANING SUPPLIES	364.93	
949	10/17/03	241.74	149	SANTA CRUZ SENTINEL		84052	SEP ADVERTISING	241.74	
950	10/17/03	282.10	161	OCEAN CHEVROLET INC		84053	REV VEH PARTS	282.10	
951	10/17/03	199.88	166	HOSE SHOP, INC., THE		84054	REPAIRS/MAINTENANCE	62.27	
						84055	PARTS & SUPPLIES	137.61	
952	10/17/03	496.09	170	TOWNSEND'S AUTO PARTS		84056	REV VEH PARTS/SUPPLY	496.09	
953	10/17/03	386.11	192	ALWAYS UNDER PRESSURE		84057	GAS VALVE/DUP	386.11	
954	10/17/03	304.04	196	LIFT-U-INC.		84058	REV VEH PARTS/SUPPLY	304.04	
955	10/17/03	5,845.58	221	VEHICLE MAINTENANCE PROGRAM		84059	REV VEH PARTS /SUPPLY	1,682.64	

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
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 ALL CHECKS FOR COAST COMMERCIAL BANK

DATE: 10/01/03 THRU 10/31/03

CHECK NUMBER	CHECK DATE	CHECK VENDOR AMOUNT	VENDOR NAME	VENDOR TRANS. TYPE NUMBER	TRANSACTION DESCRIPTION	TRANSACTION COMMENT AMOUNT
				84060	REV VEH PARTS 4163	4,162.94
9956	10/17/03	60.00 271	CARLSON, BRENT D., M.D., INC.	84061	OCT DRUG TESTING	60.00
9957	10/17/03	1,012.85 282	BRAINER INC, W.W.	84062	CLEANING SUPPLIES	112.39
				84063	CLEANING SUPPLIES	900.46
9958	10/17/03	175.74 288	MUNCIE TRANSIT SUPPLY	84064	REV VEH PARTS	175.74
9959	10/17/03	830.21 294	ANDY'S AUTO SUPPLY	84065	REV VEH PARTS/SUPPLY	830.21
9960	10/17/03	153.99 367	COMMUNITY TELEVISION OF	84066	TV COVERAGE 9/26 MTG	153.00
9961	10/17/03	75.21 372	FEDERAL EXPRESS	84067	AUG/SEP MAILINGS	75.21
9962	10/17/03	5,894.84 378	STEWART & STEVENSON	84068	REV VEH PARTS	64.80
				84069	REV VEH PARTS	512.36
				84070	REBUILD TRANSMISSION	5,171.35
				84071	REV VEH PARTS	146.33
9963	10/17/03	591.48 395	APPLIED GRAPHICS, INC.	84072	LETTERHEAD/METRO	493.54
				84073	FUEL CARDS/FLEET	97.54
9964	10/17/03	15.54 418	COUNTY OF SANTA CRUZ	84074	CNG FUEL	15.54
9965	10/17/03	164.07 434	VERIZON WIRELESS-PAGERS	84075	OCT PAGERS	164.07
9966	10/17/03	2,608.86 435	PDO INDUSTRIAL HYGIENE SVCS	84076	IAQ EVAL 8/14 - OPS	2,608.86
9967	10/17/03	100.00 465	STATE BAR OF CALIFORNIA	84077	PROGRAM MAT'L/LEGAL	100.00
9968	10/17/03	230.00 481	PIED PIPER EXTERMINATORS, INC.	84078	PEST CONTROL	230.00
9969	10/17/03	22,646.16 500	PAIGE'S SECURITY SERVICES, INC	84079	SEP SECURITY	22,646.16
9970	10/17/03	215.54 511	LUMINATOR	84080	REV VEH PARTS 219	215.54
9971	10/17/03	266.11 546	GRANITE ROCK COMPANY	84081	BASE ROCK/BUS STOPS	266.11
9972	10/17/03	10.00 562	SECRETARY OF STATE	84082	STMT NONPROFIT CORP	10.00
9973	10/17/03	173.93 566	ARROWHEAD MTN SPRING WATER	84083	AUG WATER PLANG	173.93
9974	10/17/03	441.70 629	HUGHES & ASSOCIATES	84084	INVESTIGATIVE SVCS	441.70
9975	10/17/03	198.00 639	72 DEGREES	84085	AIRFLOW SWITCH	198.00
9976	10/17/03	859.29 711	DELTA AUTO GLASS	84086	OUT REPAIR REV VEH	859.29
9977	10/17/03	599.00 723	COUNCIL ON EDUCATION IN	84087	EMP LAW UPDATE	599.00
9978	10/17/03	32,620.10 800	DELTA DENTAL PLAN	84088	OCT DENTAL	32,620.10
9979	10/17/03	3,500.00 801	LOUIS AND RIPARETTI, INC.	84089	ROOF REPAIR/OPS	3,500.00
9980	10/17/03	14,056.00 804	ORTHOPAEDIC HOSPITAL	84090	AUG PROF/TECH SVCS	14,056.00
9981	10/17/03	900.00 840	BOUCHARD, BRENT	84091	VERNON STREET LOT	900.00
9982	10/17/03	1,533.03 851	I.M.P.A.C. GOVERNMENT SERVICES	84092	4055019201230922	1,533.03
9983	10/17/03	32.31 857	NAPA AUTO PARTS	84093	EELT TENSION GAUGE	32.31
9984	10/17/03	3,461.23 909	CLASSIC GRAPHICS	84094	OUT REPAIR/#2230	3,461.23
9985	10/17/03	5,940.00 914	CALTRONICS BUSINESS SYSTEMS	84095	MAINT COPIER/ENC	5,940.00
9986	10/17/03	18.64 932	A.L. LEASE COMPANY, INC.	84096	REPAIRS & MAINT	4.01
				84097	TANK KIT	14.63
9987	10/17/03	655.70 950	PARADISE LANDSCAPE	84098	SEP MAINTENANCE	655.70
9988	10/17/03	160.00 E002	STICKEL, TOM	84099	BUS CONF ADVANCE	160.00
9989	10/17/03	216.72 E061	HOLLY, ISAAC	84100	REIMB EMP TRAVEL	216.72
9990	10/17/03	267.25 E338	READ, TIMON	84101	MEDICAL INSURANCE	267.25
9991	10/17/03	33.49 E573	DORFMAN, MARK	84102	AFTA MTG ANNUAL	33.49
9992	10/17/03	54.23 E495	WHITE, LES	84103	AFTA MTG ANNUAL	54.23
9993	10/17/03	296.00 M001	HORTON, JOSEPH	84106	NOV MEDICAL PREMIUM	296.00
9994	10/17/03	88.00 M002	RACKLEY, EARL	84107	NOV MEDICAL PREMIUM	88.00
9995	10/17/03	252.00 M003	WYANT, JUDI	84108	NOV MEDICAL PREMIUM	252.00
9996	10/17/03	252.00 M005	ROSS, EMERY	84109	NOV MEDICAL PREMIUM	252.00
9997	10/17/03	655.00 M006	VAN DER ZANDE, ED	84110	NOV MEDICAL PREMIUM	655.00
9998	10/17/03	496.00 M007	BLAIR-ALWARD, GREGORY	84111	NOV MEDICAL PREMIUM	496.00

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
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999	10/17/03	80.00 M008	CAMPOS, ARVILLA	84112	NOV MEDICAL PREMIUM	80.00
000	10/17/03	825.00 M009	FREEMAN, MARY	84113	NOV MEDICAL PREMIUM	825.00
001	10/17/03	288.00 M010	SHORT, SLOAN	84114	NOV MEDICAL PREMIUM	288.00
002	10/17/03	88.00 M011	LAWSON, LOIS	84115	NOV MEDICAL PREMIUM	88.00
003	10/17/03	88.00 M012	ROSE, JACK	84116	NOV MEDICAL PREMIUM	88.00
004	10/17/03	288.00 M013	JAHNKE, EILEEN	84117	NOV MEDICAL PREMIUM	288.00
005	10/17/03	88.00 M015	HETH, KATHRYN	84118	NOV MEDICAL PREMIUM	88.00
006	10/17/03	44.00 M016	HICKLIN, DONALD KENT	84119	NOV MEDICAL PREMIUM	44.00
007	10/17/03	44.00 M017	FORTILLA, EARLENE	84120	NOV MEDICAL PREMIUM	44.00
008	10/17/03	80.00 M019	WILLIAMS, ROBERT	84121	NOV MEDICAL PREMIUM	80.00
009	10/17/03	28.00 M021	BAKER, DALE	84122	NOV MEDICAL PREMIUM	28.00
010	10/17/03	94.86 M022	CAPELLA, KATHLEEN	84123	NOV MEDICAL PREMIUM	94.86
011	10/17/03	8,500.00 R407	RANDALL, GEORGIA & H E R ATTORNY	84104	SETTLEMENT CLAIM	8,500.00
012	10/17/03	88.66 R408	CITY OF SANTA CRUZ WATER DEPT.	84105	SETTLEMENT CLAIM	88.66
013	10/31/03	483.83 001	SEC	84127	OCT PHONE LINES	86.76
				84128	OCT PHONE LINES	397.07
014	10/31/03	362.00 001257	DOMINICAN HOSPITAL OF S C	84129	SEP DRUG TESTING	362.00
015	10/31/03	213.36 001296	LEXISNEXIS MATTHEW BENDER	84130	LBR & EMPLOY REL#29	213.36
016	10/31/03	328.56 001315	WASTE MANAGEMENT OF SC CO	84131	OCT-DEC LOMOND/HY	36.90
				84132	OCT-DEC BIG BASIN/HY	36.90
				84133	OCT-DEC AIRPORT/FREE	254.76
017	10/31/03	1,489.00 001492	EVERGREEN OIL INC.	84134	HAZ WASTE DISPOSAL	1,489.00
018	10/31/03	45.00 001711	MOHAWK MFG. & SUPPLY CO,	84135	REV VEH PARTS 16	45.00
019	10/31/03	115.80 001856	BAY COMMUNICATIONS	84136	OUT REPAIR PHONES	115.80
020	10/31/03	59.75 001992	LRP PUBLICATIONS	34137	2003 WORKERS COMP 54	59.75
021	10/31/03	81.83 002028	WESTCOAST LEGAL SERVICE	84138	PROF /TECH SVCS	81.83
022	10/31/03	592.50 002034	CARLON'S FIRE EXTINGUISHER	84139	ANNUAL FIRE EXT CERT	592.50
023	10/31/03	462.57 002063	COSTCO	84140	PHOTO PROCESS/DPS	41.26
				84141	PHOTO PROCESS/DPS	31.54
				84142	PHOTO PROCESS/DPS	49.70
				84143	PHOTO PROCESS/RISK	5.51
				34144	COFFEE CLUB SUPPLIES	112.42
				84145	OFFICE SUPPLIES/DPS	130.18
				84146	LOCAL MEETING EXF	14.19
				84147	PHOTO PROCESS/DPS	54.45
				84148	PHOTO PROCESS/DPS	23.32
024	10/31/03	166.00 002067	SOIL CONTROL	84149	WATER TEST SAMPLE 1	166.00
025	10/31/03	864.00 002109	CITY OF SANTA CRUZ/PARKING	84150	PARKING PERMITS	864.00
026	10/31/03	33.54 002161	AFFLIED INDUSTRIAL TECH	64151	SEALANT/2200	33.54
027	10/31/03	2,000.00 002267	SHAW & YODER, INC.	84152	SEP LEGISLATIVE SVCS	2,000.00
028	10/31/03	569.89 002278	CHEMSEARCH	84153	PUREWASH SYSTEMS	569.89
029	10/31/03	200.00 002388	DOSHERRA'S	84154	TOWING/#908	200.00
030	10/31/03	49.95 002411	BIG O TIRE	84155	OUT REPAIR/#907	49.95
031	10/31/03	698.76 002458	EASTERDAY JANITORIAL SUPPLY	84156	CLEANING SUPPLIES	698.76
032	10/31/03	225.00 002479	CENTRAL EQUIPMENT SERVICE CO.	84157	REPAIR ROBINAIR UNIT	225.00
033	10/31/03	687.30 002504	TIFCO INDUSTRIES	84158	PARTS & SUPPLIES	687.30
034	10/31/03	20.15 002707	PITNEY BOWES CREDIT CORP	84159	POSTAGE METER/91AN6	20.15
035	10/31/03	367.28 002713	SANTA CRUZ AUTO TECH, INC	84160	OUT REPAIR/#903	367.28
036	10/31/03	50.00 004	NORTH BAY FORD LINC-MERCURY	84161	OUT REPAIR/#202	50.00
037	10/31/03	6,949.94 009	PACIFIC GAS & ELECTRIC	84162	8/298, 29 CNG/E RVR	2,588.76

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
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				84163	8/30-9/30 CNG/E RVR	2,367.19	
				84164	9/12-10/10 KINGS VLG	656.37	
				84165	9/12-10/10 KINGS VLG	333.50	
				84166	10/31/02-9/30/03 GLF	939.39	
				84167	9/12-10/10 KINGS VLG	16.54	
				84168	9/16-10/13 PAUL SWT	48.19	
038	10/31/03	459.51 019	MCI SERVICE PARTS, INC.	84169	REV VEH PARTS	459.51	
039	10/31/03	974.40 017	SUN MICROSYSTEMS, INC.	84170	10/1-12/31 SVCS	974.40	
040	10/31/03	115.00 067	ROTO-ROOTER SEWER/PLUMBING	84171	OUT REPAIR BLDGS/IMP	115.00	
041	10/31/03	441.16 117	GILLIG CORPORATION	84172	REV VEH PARTS	441.16	
042	10/31/03	95.88 130	WATSONVILLE CITY WATER DEPT.	84173	9/1-10/1 SAKATA LN	13.36	
				84174	9/1-10/1 RODRIGUEZ	9.46	
				84175	9/2-10/1 SAKATA LN	73.04	
043	10/31/03	155.52 156	PRINT GALLERY, THE	84176	PRINT ROUTE STICKERS	155.52	
044	10/31/03	317.29 186	WILSON, GEORGE H., INC.	84177	REPAIRS/MAINTENANCE	317.29	
045	10/31/03	680.23 192	ALWAYS UNDER PRESSURE	84178	OUT RPR EQUIP/MAINT	680.23	
046	10/31/03	211.20 215	IKON OFFICE SOLUTIONS	84179	10/9-11/9 MAINT/OPS	211.20	
047	10/31/03	682.21 288	MUNCIE TRANSIT SUPPLY	84180	REV VEH PARTS	682.21	
048	10/31/03	19.73 372	FEDERAL EXPRESS	84181	OCT MAILING/ADMIN	19.73	
049	10/31/03	7,549.86 378	STEWART & STEVENSON	84182	REV VEH PARTS	292.65	
				84183	REV VEH PARTS	2,085.86	
				84184	REBUILD TRANSMISSION	5,171.35	
050	10/31/03	43.42 418	COUNTY OF SANTA CRUZ	84185	CNG FUEL	43.42	
051	10/31/03	295.00 421	PACE PUBLICATIONS	84186	TRANSIT ACCESS/LEGAL	295.00	
052	10/31/03	2,206.03 433	ANPAC BUILDING MAINTENANCE	84187	SEP CUSTODIAL SVCS	2,206.03	
053	10/31/03	157.30 436	WEST GROUP PAYMENT CTR	84188	SEP ACCESS CHGS	157.30	
054	10/31/03	195,618.90 502	CA PUBLIC EMPLOYEES'	84189	NOV MEDICAL INS	195,618.90	
055	10/31/03	191.92 510	ASCOM HASLER LEASING	84190	NOV EQUIP RENTAL	191.92	
056	10/31/03	157.61 546	GRANITE ROCK COMPANY	84191	BASE ROCK/BUS STOPS	169.65	
				84192	RECD ON INV #318492	-12.04	
057	10/31/03	320.54 566	ARROWHEAD MTN SPRING WATER	84193	SEP WATER ADMIN	189.11	
				84194	SEP WATER PLANG	131.43	
058	10/31/03	30.85 647	BFI GENFARE	84195	REV VEH PARTS	30.85	
059	10/31/03	70.00 682	WEISS, AMY L.	84196	PROF SVCS 10/24	70.00	
060	10/31/03	9,056.25 683	TRISTAR RISK MANAGEMENT	84229	NOV WC SVC FEE	9,056.25	
061	10/31/03	100.00 688	SALDANA, ERNESTINA	84197	PARACRUZ HEARINGS	100.00	
062	10/31/03	564.30 720	LAW OFFICES ELIEZER BEN-SHMUEL	84198	LEGAL SVCS OCT/NOV02	564.30	
063	10/31/03	826.50 733	CLAREMONT BEHAVIORAL SERVICES	84199	NOV EAP PREMIUM	826.50	
064	10/31/03	100.00 744	WRIGHT, LESLEY	84200	PARACRUZ HEARINGS	100.00	
065	10/31/03	630.00 852	LAW OFFICES OF MARIE F. SANG	84201	WORKERS COMP CLAIM	630.00	
066	10/31/03	53,507.36 904	RNL DESIGN	84202	PROF SVCS THRU 8/31	5,215.00	
				84203	REIMBRSE EXP TO 8/31	1,157.36	
				84204	PROF SVCS THRU 9/30	47,135.00	
067	10/31/03	3,015.25 909	CLASSIC GRAPHICS	84205	OUT REPAIR REV VEH	3,015.25	
068	10/31/03	13,603.37 912	FOLGER GRAPHICS	84206	PRINTING/HEADWAYS	13,118.09	
				84207	GRAPH DSGN SVCS/HEAD	485.28	
069	10/31/03	40.00 914	DALTRONICS BUSINESS SYSTEMS	84208	OFFICE SUPPLIES/ADM	40.00	
070	10/31/03	237.35 921	TRANSPORTATION SEATING, INC.	84209	REV VEH PARTS	237.35	
071	10/31/03	97,011.09 975	TRISTAR RISK MANAGEMENT NO. 2	84210	OCT TRUST ACCOUNT	97,011.09	
072	10/31/03	45.00 988	ALLDIS, WILL	84211	PT PREPAID COUPONS	45.00	

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
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CK SER	CHECK DATE	CHECK AMOUNT	VENDOR NAME	VENDOR NAME	TRANS. TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
1073	10/31/03	112.50	989	STUCKER, NANCY K.		84212	PROF SVCS/BILINGUAL	112.50	
1074	10/31/03	100.00	B001	AINSWORTH, SHERYL		84219	OCT BOARD MEETING	100.00	
1075	10/31/03	100.00	B003	BEAUTZ, JAN		84220	OCT BOARD MEETING	100.00	
1076	10/31/03	50.00	B006	HINKLE, MICHELLE		84221	OCT BOARD MEETING	50.00	
1077	10/31/03	100.00	B007	KEOGH, MICHAEL		84222	OCT BOARD MEETING	100.00	
1078	10/31/03	50.00	B010	NORTON, DENNIS		84223	OCT BOARD MEETING	50.00	
1079	10/31/03	100.00	B011	REILLY, EMILY		84225	OCT BOARD MEETING	100.00	
1080	10/31/03	100.00	B012	SPENCE, PAT		84227	OCT BOARD MEETING	100.00	
1081	10/31/03	100.00	B013	VENTURA PHARES, ANA		84224	OCT BOARD MEETING	100.00	
1082	10/31/03	100.00	B014	CITY OF WATSONVILLE		84228	OCT BOARD MEETING	100.00	
1083	10/31/03	100.00	B015	ROTKIN, MIKE		84226	OCT BOARD MEETING	100.00	
1084	10/31/03	50.05	E030	FENN, MARILYN		84213	CALPER CONF 10/20-22	50.05	
1085	10/31/03	5.00	E102	GARCIA, SANTIAGO		84214	SUPP AD&D	5.00	
1086	10/31/03	49.68	E103	LONGNECKER, LLOYD		84215	MILEAGE OAKLAND	49.68	
1087	10/31/03	72.84	E397	GALLAGHER, MARGARET		84216	MILEAGE SJ 9/25	22.99	
						84217	MILEAGE OAKLAND 9/30	49.85	
1088	10/31/03	66.00	E505	NAUKKARINEN, JUKKA		84218	MEDICAL EXAM 10/15	66.00	
SL		1,332,535.79		COAST COMMERCIAL BANK			TOTAL CHECKS	276	1,332,535.79

**Santa Cruz METRO
October 2003 Ridership Report**

FAREBOX REVENUE AND RIDERSHIP SUMMARY BY ROUTE

ROUTE	REVENUE	RIDERSHIP	UC		UC Staff		S/D		S/D		Cabrillo	Bike	Passes/ Free Rides
			Student	Faculty	Day Pass	Riders	W/C	Day Pass					
10	\$ 1,899.92	35,452	30,082	2,369	12	59	17	11	244	758	1,544		
13	\$ 797.82	17,867	16,008	900	6	12	-	3	77	383	388		
15	\$ 2,179.53	50,142	44,380	2,648	18	53	13	6	315	1,140	1,411		
16	\$ 6,712.90	111,000	98,473	4,766	65	73	35	21	614	2,283	3,057		
19	\$ 1,983.40	33,234	29,074	1,449	19	48	6	32	209	746	1,289		
2	\$ 2,382.14	7,480	3,115	337	63	48	3	27	266	215	2,305		
3A	\$ 1,028.32	2,912	248	97	15	52	9	48	204	61	1,703		
3B	\$ 1,604.42	4,498	612	122	39	101	10	12	222	116	2,432		
3N	\$ 198.11	568	202	12	1	6	-	1	14	20	214		
3C	\$ 362.95	1,078	370	15	5	17	12	9	24	23	451		
4	\$ 1,515.94	6,217	652	99	27	150	30	67	213	80	4,048		
7	\$ 353.92	1,337	116	14	17	56	13	29	28	3	955		
7N	\$ 1,797.05	3,261	621	145	1	41	7	6	185	131	1,111		
9	\$ 294.26	767	78	12	1	8	1	1	37	9	444		
12A	\$ 480.76	6,812	5,779	513	5	11	1	3	17	165	192		
12B	\$ 244.06	5,756	5,073	344	1	3	-	-	25	108	157		
20	\$ 366.37	9,511	8,506	562	3	1	-	1	67	222	152		
22	\$ 267.74	7,611	6,921	332	1	4	1	-	40	239	152		
31	\$ 3,028.79	5,438	335	102	43	82	15	33	202	316	2,908		
32	\$ 1,187.73	1,993	73	14	8	27	15	8	49	74	1,093		
33	\$ 528.76	905	4	-	1	17	-	3	1	7	559		
34	\$ 356.40	593	5	1	2	1	-	-	1	8	347		
35	\$ 31,590.76	48,912	1,355	394	364	628	106	256	2,041	1,722	24,962		
36	\$ 329.21	641	70	54	6	14	-	1	46	34	245		
40	\$ 2,005.83	2,839	83	58	67	38	1	35	110	180	1,417		
41	\$ 1,443.24	2,495	505	63	34	22	-	2	85	211	941		
42	\$ 876.80	1,430	223	35	9	32	-	6	38	153	584		
52	\$ 779.83	1,616	23	19	9	75	24	19	104	8	956		
53	\$ 915.47	1,482	22	6	14	62	124	43	124	41	729		
54	\$ 304.81	868	8	4	2	24	1	5	185	57	472		
55	\$ 2,187.84	5,639	80	47	41	163	139	58	1,889	141	2,274		
56	\$ 400.34	771	-	12	13	23	1	34	170	17	370		
58	\$ 95.15	197	1	5	3	6	-	1	2	4	130		
65	\$ 5,187.71	9,386	858	259	88	264	89	82	457	232	4,476		
66	\$ 10,782.84	18,403	1,499	635	168	368	121	110	1,043	524	8,294		
67	\$ 5,758.87	10,885	1,332	397	121	154	68	56	647	338	4,874		
69	\$ 8,437.85	15,958	2,148	725	154	340	101	118	884	596	6,765		
69A	\$ 16,113.11	22,425	1,740	567	172	621	142	182	750	712	8,804		
69N	\$ 1,639.92	3,637	610	145	-	58	13	1	547	206	1,239		
69W	\$ 21,713.74	32,993	1,771	649	189	631	205	190	4,297	992	11,990		
70	\$ 4,216.69	10,086	322	197	48	122	45	58	3,395	295	3,394		
71	\$ 66,256.14	93,952	2,928	1,303	544	1,962	466	612	11,670	2,851	34,512		
72	\$ 8,376.07	9,230	7	49	82	348	32	100	386	95	3,409		
73	\$ 6,095.26	6,310	3	20	49	384	66	114	228	14	2,057		
75	\$ 9,871.42	10,576	46	33	93	407	58	125	389	206	3,713		
78	\$ 178.79	179	-	-	1	18	1	3	3	1	51		
79	\$ 2,342.56	2,853	1	4	28	219	24	80	85	14	1,204		
91	\$ 5,775.49	8,201	207	226	147	96	15	39	1,486	323	2,513		
Unknown	\$ 95.08	151	58	4	-	1	1	-	2	2	18		
TOTAL	\$243,359.26	636,567	266,628	20,763	2,799	7,951	2,031	2,651	34,118	17,077	157,311		

ROUTE	REVENUE	RIDERSHIP	VTA/SC		17		S/D		ECO		Monthly Pass
			Day Pass	CalTrain	Day Pass	Riders	W/C	None	Pass	Bike	
17	\$ 13,017.36	13,224	4	53	195	497	19	34	212	559	9,418

RIDERSHIP	
Night Owl	4,797
Monte Shuttle	4,405
TOTAL	9,202

October Ridership	658,993
October Revenue	\$ 256,806.73

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

PASSENGER LIFT PROBLEMS

MONTH OF OCTOBER, 2003

BUS #	DATE	DAY	REASON
2230CN	25-Oct	SATURDAY	No kneel
9816LF	2-Oct	THURSDAY	W/C ramp doesn't stow properly & would not deploy
9818LF	24-Oct	FRIDAY	Problem with lift
9835G	13-Oct	TUESDAY	Lift would not stow
9835G	16-Oct	THURSDAY	W/C lift having trouble raising and stowing
9839G	23-Oct	THURSDAY	Kneel not working

- F New Flyer
- G Gillig
- C Champion
- LF Low Floor Flyer
- GM GMC
- CG CNG
- CN SR855 & SR854

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

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	2	5	4	1	4	100%
FLYER/LOW FLOOR - 40'	12	2	10	8	2	8	100%
FLYER/LOW FLOOR - 35'	18	4	14	13	1	13	100%
FLYER/HIGH FLOOR - 35'	15	2	13	9	4	9	100%
GILLIG/SAM TRANS - 40'	10	1	9	6	3	6	100%
DIESEL CONVERSION - 35'	15	3	12	12	0	12	100%
DIESEL CONVERSION - 40'	14	1	13	11	2	11	100%
GMC/HIGHWAY 17 - 40'	8	1	7	2	5	2	100%
CHAMPION	4	1	3	1	2	1	100%
TROLLEY	1	0	1	1	0	1	100%
CNG NEW FLYER - 40'	8	1	7	6	1	6	100%

Service Interruption Summary Report
Lift Problems
10/01/2003 to 10/31/03

AM Peak Hour/Mile	Midday Hour/Mile	PM Peak Hour/Mile	Other Hour/Mile	Weekday Hour/Mile	Saturday Hour/Mile	Sunday Hour/Mile
00:00/0	00:00/00.00	00:00/0	00:00/0	00:00/00.00	00:00/0	00:00/0

Metro Accessible Services Transit Forum (MASTF)*

(*An official Advisory group to the Metro Board of Directors
and the ADA Paratransit Program)

Thursday November 20, 2003 2:00-4:00 p.m.

**The NIAC Building in the Board Room
333 Front Street, Santa Cruz, CA.**

“AGENDA”

ELIGIBLE VOTING MEMBERS FOR ALL MOTIONS AND THE ELECTION DURING THIS MEETING:

April Axton, Sharon Barbour, Ted Chatterton, Connie Day, Shelley Day, Kasandra Fox, Jeff LeBlanc, Thom Onan, Barbie Schaller, David Taylor, Lesley Wright and Bob Yount.

ELIGIBLE VOTING MEMBERS FOR ALL MOTIONS (BUT NOT THE ELECTION) DURING THIS MEETING:

Michael Bradshaw and Jessica Milligan.

“Public participation in MASTF meeting discussions is encouraged and greatly appreciated.”

- I. Call to Order and Introductions
- II. Approval of the October 16, 2003 MASTF Minutes
- III. Oral Communication and Correspondence

MASTF will receive oral and written communications during this time on items NOT on this meeting agenda. Topics presented must be within the jurisdiction of MASTF. Presentations may be limited in time at the discretion of the Chair. MASTF members will not take action or respond immediately to any presentation, but may choose to follow up at a later time.

- IV. Amendments to this Agenda
- V. Ongoing Business
 - 5.1 MASTF Status as METRO Advisory Body
 - 5.2 Status of METRO No Smoking Policy (Bryant Baehr, Kasandra Fox and Bob Yount)
- VI. New Business
 - 6.1 Election of MASTF Executive Committee Officers for December 2003-November 2004 (John Daugherty)
 - 6.2 Announcement of Honorees for 2003 MASTF Certificates of Appreciation (Sharon Barbour)
 - 6.3 Vote on Proposed MASTF By-Laws Amendment: Automatic Placement of METRO Board and Staff Requested Items on MASTF Agenda
 - 6.4 Vote on Proposed MASTF By-Laws Amendment: Eligible Voting Members Must Be At Least 18 Years Old
 - 6.5 Selection of Primary MASTF Representative on METRO ParaCruz Appeals Panel (Sharon Barbour)
 - 6.6 Wheelchair Seurement (Bryant Baehr and Lesley Wright)

- 6.7 Discussion of Consideration of Proposed MASTF By-Laws Amendments Regarding Membership and Voting Rights

MASTF COMMITTEE REPORTS

- 6.8 Training and Procedures Committee Report (Lesley Wright)
- 6.9 Bus Service Committee Report (Connie Day)
 - a) Metro Users Group (MUG) Report
 - b) Service Planning and Review Report
 - c) "Stop Requested" Feature of Talking Bus
- 6.10 Bus Stop Improvement Committee Report (Ed Kramer)
- 6.11 Paratransit Services Committee Report (Kasandra Fox)
- 6.12 Elderly and Disabled Transportation Advisory Committee (E&D TAC) Report

OTHER REPORTS

- 6.13 Paratransit Update
 - a) Paratransit Report (April Axton or Link Spooner)
 - b) CCCIL Transportation Advocacy (Thom Onan)
- 6.14 UTU Report (Jeff North)
- 6.15 SEIU/SEA Report (Eileen Pavlik)
- 6.16 Next Month's Agenda Items

VII. Adjournment

Note: This meeting is held at a location that is accessible to persons using wheelchairs. If you have questions, or want additional information about MASTF, please contact John Daugherty by phone at (831) 423-3868.

METRO ACCESSIBLE SERVICES TRANSIT FORUM (MASTF)*
(* An official Advisory group to the Metro Board of Directors
and the ADA Paratransit Program)

MINUTES

The Metro Accessible Services Transit Forum met for its monthly meeting on October 16, 2003 in the Board Room of the NIAC Building, 333 Front Street, Santa Cruz CA.

MASTF MEMBERS PRESENT: Sharon Barbour, Ted Chatterton, Connie Day, Shelley Day, Kasandra Fox, Jeff LeBlanc, Thom Onan, Barbie Schaller, David Taylor, Lesley Wright and Bob Yount.

METRO STAFF PRESENT:

Bryant Baehr, Operations Department Manager
A. John Daugherty, Accessible Services Coordinator
Steve Paulson, Paratransit Administrator
Eileen Pavlik, SEIU/SEA Representative
Jim Taylor, UTU Representative
Les White, General Manager

BOARD MEMBERS PRESENT:

None.

*****MASTF MOTIONS RELATED TO THE METRO BOARD OF DIRECTORS**

MASTF asks METRO to preserve the current METRO/MASTF structure.

RELEVANT ATTACHMENTS FORWARDED TO THE BOARD: C

***MASTF MOTIONS RELATED TO METRO MANAGEMENT**

None.

I. CALL TO ORDER AND INTRODUCTIONS

Chair Sharon Barbour called the meeting to order at 2:03 p.m.

II. APPROVAL OF THE SEPTEMBER 18, 2003 MASTF MINUTES

**MASTF Motion: To approve the September 18, 2003 MASTF Minutes as submitted.
M/S/PU: Fox, C. Day (By affirmative voice vote)**

III. ORAL COMMUNICATION AND CORRESPONDENCE

John Daugherty shared that the following correspondence and items of interest had been received since the last MASTF meeting:

- 1) One Agenda for the meeting of the Santa Cruz County Regional Transportation Commission (SCCRTC) held on October 2, 2003.

- 2) The October 2003 issue of the *Central Coast Reporter*, a resource newsletter published by the Association of Monterey Bay Area Governments.
- 3) One original Agenda and one revised Agenda for a Transportation Policy Workshop sponsored by the SCCRTC held earlier today (October 16, 2003).

Ms. Barbour shared that two pieces of correspondence had been sent since the last MASTF meeting:

- 1) The completed MASTF letter written by Ms. Barbour to the METRO Board that had been authorized during the MASTF meeting last month. The first paragraph of the letter (Attachment A) begins: "MASTF asks Metro to preserve the current Metro/MASTF structure."
- 2) A card (Attachment B) from the MASTF Executive Committee to Les White inviting him "and any members of your staff for whom there is seating, to attend each and every MASTF meeting."

Mr. White shared that METRO would be accepting delivery of 17 new Paratransit vans tomorrow.

Mr. Daugherty placed the items described above into a folder that was circulated to the group.

IV. AMENDMENTS TO THIS AGENDA

Ms. Barbour asked the group if discussion of both Ongoing Business Agenda items could be postponed until a few MASTF members – who were meeting with a METRO Board member – arrived. There was no objection to her request.

The first New Business Agenda item - "Nominations for 2003 MASTF Certificates of Appreciation" – was the next discussion item. After Ms. Barbour added a final Oral Communication, the next discussion items were the Ongoing Business Agenda items.

V. ONGOING BUSINESS

5.1 MASTF Status as METRO Advisory Body

This Agenda item was discussed after the first New Business Agenda item - "Nominations for 2003 MASTF Certificates of Appreciation"- and one final Oral Communication.

Ms. Barbour explained that during its meeting on October 24th the METRO Board may or may not be voting on the recommendation from Mr. White. She encouraged people to come to the meeting.

Highlights of discussion on this topic included:

- 1) Ms. Barbour noted that interested persons could order MASTF T shirts. She noted that T-shirts were one way to "make ourselves as obvious as we can." She clarified that she was not pushing people to order T-shirts. Details regarding T-shirts were discussed.
- 2) The following Motion to the METRO Board emerged from discussion:

**MASTF Motion: MASTF asks METRO to preserve the current METRO/MASTF structure.
M/S/C: Fox, Taylor (By show of hands: 6 votes in favor, none opposed and one abstention)**

- 3) Ms. Barbour reported that the Elderly and Disabled Transportation Advisory Committee (E&D TAC) had passed a Motion supporting MASTF two days ago. The Motion supported preserving MASTF's role with METRO and retaining staff support for MASTF. "I am very appreciative of E&D TAC's support on this issue," she shared.
- 4) Jeff LeBlanc, Lesley Wright and Bob Yount joined the meeting after the report from Ms. Barbour. Mr. Yount stated: "Off the top, I would say that MASTF is not going to retain its present relationship, present By-Laws, organization, and get the approval of the Board. MASTF is going to have to change."
- 5) Mr. Yount identified three areas of concern that he has picked up from meetings with METRO Board members: Who speaks for MASTF, the membership of MASTF and the MASTF By-Laws. Mr. Yount emphasized that he wanted to work with the Board on those areas of concern.
- 6) Mr. LeBlanc identified and began discussion on three options that he saw:
 1. The Board would leave MASTF alone.
 2. Negotiation of the appointment of "at large" representatives to a new advisory body. Mr. LeBlanc noted that this option would "dissolve MASTF in its present shape."
 3. Accept MASTF being disassociated from METRO. He noted that this option included the loss of staff support from METRO for MASTF.

The group discussed the concerns and options raised by Mr. Yount and Mr. LeBlanc.

- 7) Ms. Barbour stated: "As your chair, I will take whatever Motion you make. Speaking personally again, and not as your Chair, I feel that if we give our By-Laws and our membership to METRO, regardless of what name we come under, we are no longer MASTF. We can still be called MASTF, but we would no longer be MASTF."
- 8) Thom Onan asked for responses to the Metro Advisory Committee (MAC) proposal from Mr. White. Responses included the concern from Ms. Barbour that the new committee would be a rubber stamp for METRO. Responses also included the observation from Barbie Schaller that the MAC could bring together more people to help advise METRO.
- 9) The following Motion to MASTF membership emerged from discussion:

**MASTF Motion: To proceed with the By-Laws amendments as reflected on this Agenda and to present the progress on those changes to the Board on Friday October 24, 2003.
M/S/C: LeBlanc, C. Day (By show of hands: 7 votes in favor, 1 vote opposed and 2 abstentions)**

- 10) During discussion of the Motion, Ted Chatterton stated: "I strongly feel that MASTF should be independent with clerical support from METRO. That's my feeling that's the way it should be run, and if it isn't going to be run, God bless you all."

- 11) During discussion Mr. White clarified that his recommendation had been revised since last month to allow transition time for MUG and MASTF until March 2004 "at the earliest." Ms. Barbour noted that change would allow MASTF "time to find a secretary, if nothing else."
- 12) Ms. Barbour asked if any persons wanted to "relay read" the letter she had completed during the Board meeting next week. The response she received appeared to be that persons present preferred not to read her letter aloud to the Board next week.
- 13) Just before Adjournment Ms. Barbour added another discussion topic to this Agenda item. She noted that she had third hand reports that the Chair of the Metro Users Group (MUG) felt that members of MASTF were denigrating MUG. Various forms of apology were discussed, but no action was taken on this topic.

5.2 Status of METRO No Smoking Policy (Bryant Baehr, Kasandra Fox and Bob Yount)

Ms. Barbour asked Mr. Yount if this Agenda item could be tabled until the meeting next month. There was no objection to her request.

VI. NEW BUSINESS

6.1 Nominations for 2003 MASTF Certificates of Appreciation (Sharon Barbour)

This Agenda item was discussed after the "Amendments To This Agenda" item.

Ms. Barbour shared that nominations for the MASTF Certificates of Appreciation presented during the December MASTF meeting were now being accepted. She asked that anyone that knows someone (or an organization) that has done especially good or outstanding work this year on behalf of METRO and/or persons with disabilities to forward a nomination.

She requested that nominations include the name of the nominee and the reasons why the person or group is nominated. She explained that nominations could be presented to her or Mr. Daugherty.

Contact information:

Sharon Barbour
(831) 338-6647
webmaster@mastf.org
Or
webmaster@mastf.com

Mr. Daugherty
(831) 423-38658
jdaugh@scmtd.com

Address for either Ms. Barbour or Mr. Daugherty:

MASTF
(Or John Daugherty)
Santa Cruz Metro
920 Pacific Avenue, Suite 21
Santa Cruz, CA. 95060

Ms. Barbour noted that the deadline to receive nominations is November 11, 2003. She noted that the MASTF Executive Committee would select recipients during its meeting on November 12, 2003. Mr. Daugherty noted that the list of past recipients had been included in the packet for this meeting. He offered to provide the list to anyone who requested it.

Kasandra Fox described a recent incident when a bus operator gave Ms. Fox and her friend a needed courtesy stop. Ms. Fox wondered who the bus operator had been. Bryant Baehr offered to check for that information.

Ms. Barbour added a final Oral Communication: She announced that MASTF now has a website that can be accessed by either www.mastf.org or www.mastf.com. "One of my desires for this is to be an outreach tool," she shared.

Features of the website were discussed. Ms. Barbour thanked her son and her Internet provider for their assistance with the website. She noted that nominations for recipients of MASTF Certificates of Appreciation could be emailed to her at webmaster@mastf.org or webmaster@mastf.com

6.2 Drafting of Proposed MASTF By-Laws Amendment: Automatic Placement of METRO Board and Staff Requested Items on MASTF Agenda

The following Motion emerged from discussion:

MASTF Motion: Proposed MASTF By-Laws amendment to read:

"Upon receipt of written communication from the Chair of the Board of Directors, or the General Manager, requesting that MASTF consider an issue, such issue will be placed on the Agenda of the next meeting of MASTF providing that the request has been received at least 72 hours prior to such meeting."

M/S/PU: LeBlanc, C. Day (By show of hands: 8 votes in favor, none opposed and no abstentions)

6.3 Drafting of Proposed MASTF By-Laws Amendment: Eligible Voting Members Must Be At Least 18 Years Old

The following Motion emerged from discussion:

MASTF Motion: Proposed MASTF By-Laws amendment to read:

"The minimum voting age for a MASTF member is 18 years old."

M/S/PU: Schaller, LeBlanc (By show of hands: 7 votes in favor, none opposed and no abstentions)

During discussion, Mr. LeBlanc asked that discussion of consideration of future amendments to the MASTF By-Laws regarding voting rights and membership be placed on the Agenda for the meeting next month.

Note: Both proposed MASTF By-Laws amendments (Attachment C) will be on the Agenda of the next MASTF meeting for consideration by vote of the eligible voting membership. Approval of a By-Laws amendment requires approval by 2/3 majority of votes cast, as noted in Section 10, "Revision Process for By-Laws", of the MASTF By-Laws.

6.4 Wheelchair Securement (Bryant Baehr and Lesley Wright)

Due to time constraints, the Agenda item above was tabled until the MASTF meeting next month.

6.5 Revisiting the Price of Discount (Senior and Disabled) Monthly Passes (Camille Pierce)

Ms. Barbour suggested that this item be removed from the Agenda until an interested person requests its return. There was no objection to her suggestion.

MASTF COMMITTEE REPORTS

6.6 Training and Procedures Committee Report (Lesley Wright)

6.7 Bus Service Committee Report (Connie Day)

a) Metro Users Group (MUG) Report

b) Service Planning and Review Report

c) "Stop Requested" Feature of Talking Bus

6.8 Bus Stop Improvement Committee Report

Due to time constraints, the Agenda items above were tabled until the meeting next month.

6.9 Paratransit Services Committee Report (Kasandra Fox)

Ms. Fox reiterated the news given out earlier by Mr. White that METRO would be accepting delivery of 17 new Paratransit vans later this month.

OTHER REPORTS

6.10 Paratransit Update

a) Paratransit Update (April Axton)

b) CCCIL Transportation Advocacy (Thom Onan)

6.11 UTU Report

6.12 SEIU/SEA Report (Eileen Pavlik)

Ms. Barbour asked if anyone had an urgent or pressing report to give on the Agenda items remaining on the Agenda. No one offered a report in response to her inquiry. The Agenda items above were carried over to the Agenda of the meeting next month.

6.13 Next Month's Agenda Items

Besides the Agenda items carried over and noted above, Mr. LeBlanc offered the following topic for a future MASTF Agenda: Discussion of a quorum requirement for MASTF meetings.

VII. ADJOURNMENT

Ms. Barbour adjourned the meeting at 4:26 p.m.

Respectfully submitted by: A. John Daugherty, Accessible Services Coordinator

NOTE: NEXT REGULAR MASTF MEETING IS: Thursday November 20, 2003 from 2:00-4:00 p.m., in the Board Room of the NIAC Building, 333 Front Street, Santa Cruz, CA.

NOTE: NEXT S.C.M.T.D. BOARD OF DIRECTORS MEETING IS: Friday November 14, 2003 at 9:00 a.m. in the S.C.M.T.D. Administrative Offices, 370 Encinal Street, Santa Cruz, CA.

NOTE: THE FOLLOWING S.C.M.T.D. BOARD OF DIRECTORS MEETING IS: Friday November 21, 2003 at the Watsonville City Council Chambers, 250 Main Street, Watsonville, CA.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Agenda-Metro Users Group

November 19, 2003

The METRO Users Group will meet on Wednesday, November 19, 2003 from 2:10 p.m. to 4:00 p.m. The meeting will be held in the Conference Room at the Metro Center, 920 Pacific Avenue, Santa Cruz.

The following topics will be discussed:

1. **CALL TO ORDER AND INTRODUCTION**
2. **ORAL AND WRITTEN COMMUNICATIONS AND ANNOUNCEMENTS**
3. **ADDITIONS AND DELETIONS TO THE AGENDA**

MEMBERS ARE ASKED TO RESTRICT COMMENTS ON ITEMS NOT ON THE AGENDA TO TWO (2) MINUTES.

4. **CONSENT AGENDA**
Receive and Accept:
 - a) Minutes of October MUG Meeting
(Attached)
 - b) Monthly Attendance Report
(Attached)
 - c) Minutes of October Board Meeting
(Attached)
 - d) September Ridership Report
(Attached)
5. **ON-GOING ITEMS**
 - a) Review Current Board Agenda Items
 - b) Recommendations for Next *Headways*
 - c) Service and Planning Update
 - d) Bus Procurement
 - e) Marketing
6. **UPDATES**
 - a) MetroBase
 - b) Review of Advisory Group Structure
7. **NEW BUSINESS**
 - a) Pacific Shores Apartments Bus Service
 - b) UCSC Shuttle Operations
8. **ITEMS FOR NEXT AGENDA**
9. **OPEN DISCUSSION**

10. ADJOURNMENT

Distribution:

Marc Adato, *City of SC Public Works Dept.*
Bryant Baehr, *Operations Manager* – by email
Sharon Barbour, *MASTF* – by email
Ted Chatterton, *Transit User*
Sandra Coley, *Pajaro TMA*
Connie & Shelley Day, *Transit Users*
Mark Dorfman, *Assistant General Manager*
Jenna Glasky, *SEA* – by email
Ron Goodman, *Bicycle/Transit User* – by email
Michelle Hinkle, *Chair, Board Member*
Virginia Kirby, *Transit User*
David Konno, *Facilities Maint Manager* – by email
Ian McFadden, *Transit Planner* – by email
Paul Marcelin, *Transit User* – by email

Matthew Melzer, *Transit User* – by email
Bonnie Morr, *UTU* – by email
Carolyn O'Donnell, *Santa Cruz TMA*
Manuel Osorio, *Cabrillo Student Services*
Steve Paulson, *ParaCruz Administrator* – by email
Karena Pushnik, *SCCRTC* – by email
Stuart Rosenstein, *Transit User* – by email
Barbara Schaller, *Seniors Commission* – by email
Michael & Janet Singer, *Transit Users* – by email
Tom Stickel, *Fleet Maint Manager* – by email
Jim Taylor, *UTU* – by email
Candice Ward, *UCSC* – by email
Leslie White, *General Manager*

If you would like to apply for membership to be on the Metro Users Group (MUG) Committee, please contact Dale Carr, Administrative Services Coordinator at 426-6080 for an application for membership.

Santa Cruz Metropolitan Transit District

Minutes-METRO Users Group

October 15, 2003

The METRO Users Group met at 2:10 p.m., Wednesday, October 15, 2003, in the METRO Center Conference Room, 920 Pacific Avenue, Santa Cruz.

MEMBERS PRESENT

Ted Chatterton, Transit User
Connie Day, Transit User
Shelley Day, Transit User
Michelle Hinkle, Chair, Board Member
Virginia Kirby, Transit User
Matthew Melzer, Transit User
Stuart Rosenstein, Transit User
Barbie Schaller, Seniors Commission

SCMTD STAFF PRESENT

Bryant Baehr, Operations Manager
Les White, General Manager

VISITORS PRESENT

Jim Taylor, Vice Chair, UTU Local 23

MUG MOTIONS TO METRO BOARD OF DIRECTORS

None

MUG MOTIONS TO METRO MANAGEMENT

None

1. CALL TO ORDER AND INTRODUCTION

Chair Michelle Hinkle called the meeting to order at 2:14 p.m.

2. ORAL AND WRITTEN COMMUNICATIONS AND ANNOUNCEMENTS

None

3. ADDITIONS AND DELETIONS TO THE AGENDA

None

4. CONSENT AGENDA

Receive and Accept:

- a) Minutes of September MUG Meeting
- b) Monthly Attendance Report
- c) Minutes of September Board of Directors Meeting (not available at this time)
- d) August Ridership Report

ACTION: MOTION: Connie Day
APPROVE CONSENT AGENDA
Motion passed unanimously

SECOND: Matthew Melzer

5. ON-GOING ITEMS

5a) Review of Current Board Agenda Items

1) Review of Advisory Group Structure.

Les White reported that he had made some minor changes and corrected grammatical errors in the proposed bylaws for a new Metro Advisory Committee. One of the changes made was that instead of 1/3 of the members being seniors or disabled, 1/3 would be disabled, and seniors would be in addition to that.

Unless it is deferred again, the Board is expected to take action on this item at the October 24, 2003 Board meeting. Mr. White encouraged MUG to attend the Board meeting to voice their opinions. If the Board chooses to go with the proposed Metro Advisory Committee on the 24th, membership and a meeting schedule would be established, with the first meeting most likely being held in March 2004.

Les clarified that MASTF would not go away, but the Board will be deciding whether or not to continue to recognize them in the bylaws and provide staff and financial support.

Chair Michelle Hinkle clarified her position of supporting the staff recommendation and mentioned that she had received some nasty phone calls from MASTF members in response to a comment she made at the October 10, 2003 Board meeting.

5b) Review of *Headways* Redesign Issues

Bryant reported that he would be looking into printing 2 separate publications; a riders guide and route schedules. Suggestions were made to have separate schedules for different areas like UCSC, Watsonville and Scotts Valley, in addition to a complete schedule for all routes. Other suggestions included standardizing the font and printing with black ink on white paper for better contrast. Bryant offered to bring schedules from other area transit agencies to the next MUG meeting to get some ideas for improving *Headways*.

Chair Michelle Hinkle announced that going forward, Items 5b and 5b.1 would be listed on the agenda as one item called "Recommendations for Next *Headways*".

Bryant clarified that MUG had not taken an official stand on the advisory group structure recommendation.

**ACTION: MOTION: Ted Chatterton SECOND: Connie Day
MUG RECOMMENDS KEEPING BOTH MUG AND MASTF AS THEY ARE NOW.**

There was discussion about MUG's current meeting time, Paul Marcelin's comments, and how the proposed Metro Advisory Group would not be chaired by a Board member.

With 3 votes for and 5 votes opposed, motion did not pass.

Stuart and Barbie said that they did not feel comfortable making a recommendation at this time, but that the current MUG and MASTF is not working. Stuart believes the new group would represent more riders and reach out to the senior and disabled community.

Stuart thanked the senior and disabled community for all the positive transit related improvements they have been involved in.

Discussion was closed on this item with MUG having no position and no recommendation to the Board.

5c) Service & Planning Update

Bryant reported that the District is facing a \$350,000 budget deficit due to lower than expected sales tax revenues. No service changes are anticipated before June 3, 2004, when the new *Headways* comes out.

There was discussion about the District taking over the AMTRAK service, which the District cannot afford without financial support from the state.

5d) Bus Procurement

Bryant reported that the eleven (11) new Highway 17 buses are in the final production stages and are expected to arrive by the end of the year.

5e) Marketing

Stuart wants to attract new riders using catchy slogans like "Santa Cruz to Watsonville every 20 minutes" or "Santa Cruz to Capitola every 20 minutes" and ideas that have already been researched, maybe something filed away that could be implemented at little or no cost. Bryant clarified there was no marketing material available to implement because when there was a marketing department, they were focused on ParaCruz and UCSC service. Suggestions made during the conversation include: targeted marketing for specific routes, Public Service Announcements on local radio stations, destination based advertising, utilizing a studio at Barrios Unidos for a small fee, using an environmental approach possibly utilizing Earthday to promote and pay for advertising. Bryant was asked and offered to do several things including:

1. Research advertising of other transit systems comparable to ours
2. Bring videotaped commercials used in the past to the next meeting
3. Come up with catchy slogans
4. Determine consistencies in routes

6. UPDATES

6a) MetroBase

Bryant reported that RNL Design was here last week working on design ideas. The priority is the get the fueling station operational by 2005 to meet CARB requirements. The City Redevelopment Department is working with the owners of the Surf City Produce and Tool Shed properties.

7. NEW BUSINESS

Nothing to report

8. ITEMS FOR NEXT AGENDA

Matthew Melzer requested 2 items be on next month's agenda:

1. Pacific Shores Apartments bus service

2. UCSC shuttle operations

9. **OPEN DISCUSSION**

Barbie reminded the committee to attend the Board meeting at 9:00 a.m. on October 24, 2003 at the Santa Cruz City Council Chambers.

10. **ADJOURMENT**

Chair Michelle Hinkle adjourned the meeting at 3:58 p.m.

Respectfully submitted,

Cindi Thomas
Administrative Secretary

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: November 21, 2003
TO: Board of Directors
FROM: Elisabeth Ross, Finance Manager
SUBJECT: MONTHLY BUDGET STATUS REPORT FOR SEPTEMBER 2003, AND APPROVAL OF BUDGET TRANSFERS

I. RECOMMENDED ACTION

Staff recommends that the Board of Directors approve the budget transfers for the period of October 1 – 31, 2003.

II. SUMMARY OF ISSUES

- Operating revenue for the year to date totals \$9,567,969 or \$279,558 under the amount of revenue expected to be received during the first three months of the fiscal year, based on the final budget.
- Total operating expenses for the year to date, in the amount of \$6,753,893, are at 20.6% of the final budget.
- A total of \$49,796 has been expended through September 30th for the FY 03-04 Capital Improvement Program.

III. DISCUSSION

An analysis of the District's budget status is prepared monthly in order to apprise the Board of Directors of the District's actual revenues and expenses in relation to the adopted operating and capital budgets for the fiscal year. The attached monthly revenue and expense report represents the status of the District's FY 03-04 budget as of September 30, 2003. The fiscal year is 25% elapsed.

A. Operating Revenues

Revenues are \$279,558 under the amount projected to be received for the period. Sales tax revenue is \$278,838 below budget due to lower sales during the April – June 2003 period than projected. This shortfall will be addressed in the upcoming budget revision. Variances are explained in the notes following the report.

B. Operating Expenses

Operating expenses for the year to date total \$6,753,893 or 20.6% of the final budget, with 25% of the year elapsed. Variances are explained in the notes following the report.

November 21, 2003

Board of Directors

Page 2

C. Capital Improvement Program

For the year to date, a total of \$49,796 has been expended on the Capital Improvement Program.

D. Top 25 Accounts Filing Business Tax Returns

The following is an alphabetical listing of the top 25 retailers filing business tax returns to the State Board of Equalization for the District's dedicated sales tax payment. These are the retailers with the highest payments for on-going business filed for the fifteen-month period of April 2002 through June 2003.

Albertson's	Nob Hill General Store
Beacon Service Station	North Bay Ford, Lincoln, Mercury
Big Creek Lumber Company	Ocean Chevrolet
Circuit City Stores	Orchard Supply Hardware Corp
Costco Wholesale Corporation	Rite Aid
DMV Allocation Account for BOE	Ross Stores Inc.
Gottschalks Inc.	Safeway, Inc.
Granite Rock Co.	San Lorenzo Lumber Co. Inc.
K-Mart Corporation	Santa Cruz Datsun
Long's Drug Store	Sears-Roebuck and Co.
Macy's West Inc.	Target Stores
Marina Motor Company	Toyota of Santa Cruz
Mervyns	

IV. FINANCIAL CONSIDERATIONS

Approval of the budget transfers will increase some line item expenses and decrease others. Overall, the changes are expense-neutral.

V. ATTACHMENTS

Attachment A: Revenue and Expense Report for September 2003, and Budget Transfers

**MONTHLY REVENUE AND EXPENSE REPORT
OPERATING REVENUE - SEPTEMBER 2003**

Operating Revenue	FY 03-04 Budgeted for Month	FY 03-04 Actual for Month	FY 03-04 Budgeted YTD	FY 02-03 Actual YTD	FY 03-04 Actual YTD	YTD Variance from Budgetec	
Passenger Fares	\$ 310,938	\$ 345,945	\$ 939,337	\$ 779,041	\$ 999,949	\$ 60,612	
Paratransit Fares	\$ 30,413	\$ 22,838	\$ 64,332	\$ 23,358	\$ 50,204	\$ (14,128)	
Special Transit Fares	\$ 165,794	\$ 120,830	\$ 232,380	\$ 239,058	\$ 220,935	\$ (11,445)	
Highway 17 Revenue	\$ 81,832	\$ 57,592	\$ 235,240	\$ 192,536	\$ 163,972	\$ (71,268)	
<i>Subtotal Passenger Rev</i>	\$ 588,977	\$ 547,205	\$ 1,471,289	\$ 1,233,993	\$ 1,435,060	\$ (36,229)	See Note 1
Advertising Income - OBIE	\$ -	\$ -	\$ -	\$ 45,000	\$ -	\$ -	
Advertising Income - Dist	\$ -	\$ -	\$ -	\$ -	\$ 17,509	\$ 17,509	See Note 2
Commissions	\$ 767	\$ 615	\$ 2,300	\$ 2,883	\$ 1,803	\$ (497)	
Rent Income	\$ 12,863	\$ 11,929	\$ 38,589	\$ 38,373	\$ 36,082	\$ (2,507)	See Note 3
Interest - General Fund	\$ 24,986	\$ 26,414	\$ 73,084	\$ 124,306	\$ 75,106	\$ 2,022	
Non-Transportation Rev	\$ 175	\$ 156	\$ 525	\$ 702	\$ 504	\$ (21)	
Sales Tax Income	\$ 1,472,382	\$ 1,278,444	\$ 4,062,382	\$ 3,756,646	\$ 3,783,544	\$ (278,838)	See Note 4
TDA Funds	\$ -	\$ 1,348,222	\$ 1,348,222	\$ 1,374,472	\$ 1,348,222	\$ -	
FTA Op Asst - Sec 5307	\$ -	\$ -	\$ 2,804,435	\$ -	\$ 2,804,435	\$ -	
FTA Op Asst - Sec 5311	\$ -	\$ -	\$ 46,701	\$ -	\$ 65,704	\$ 19,003	See Note 5
FY 02-03 Carryover	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transfer from Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transfer from Insurance Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transfer - Proj Mgr	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Operating Revenue	\$ 2,100,150	\$ 3,212,985	\$ 9,847,527	\$ 6,576,375	\$ 9,567,969	\$ (279,558)	

**MONTHLY REVENUE AND EXPENSE REPORT
OPERATING EXPENSE SUMMARY - SEPTEMBER 2003**

	FY 03-04 Final Budget	FY 03-04 Revised Budget	FY 02-03 Expended YTD	FY 03-04 Expended YTD	Percent Expended of Budget	
PERSONNEL ACCOUNTS						
Administration	\$ 891,383	\$ 891,383	\$ 136,194	\$ 183,925	20.6%	
Finance	\$ 522,456	\$ 522,456	\$ 121,052	\$ 120,572	23.1%	
Customer Service	\$ 519,934	\$ 519,934	\$ 155,387	\$ 113,135	21.8%	
Human Resources	\$ 327,189	\$ 327,189	\$ 64,128	\$ 82,769	25.3%	See Note 6
Information Technology	\$ 413,963	\$ 413,963	\$ 92,417	\$ 106,424	25.7%	See Note 7
District Counsel	\$ 358,878	\$ 358,878	\$ 73,239	\$ 81,254	22.6%	
Risk Management	\$ -	\$ -	\$ -	\$ -	0.0%	
Facilities Maintenance	\$ 1,029,512	\$ 1,029,512	\$ 232,057	\$ 227,800	22.1%	
Paratransit Program	\$ 229,377	\$ 229,377	\$ 43,323	\$ 49,758	21.7%	
Operations	\$ 1,908,172	\$ 1,908,172	\$ 445,875	\$ 440,875	23.1%	
Bus Operators	\$ 12,044,316	\$ 12,044,316	\$ 2,781,896	\$ 2,772,831	23.0%	
Fleet Maintenance	\$ 4,120,660	\$ 4,120,660	\$ 853,534	\$ 862,404	20.9%	
Retired Employees/COBRA	\$ 833,989	\$ 833,989	\$ 144,042	\$ 182,846	21.9%	
Total Personnel	\$ 23,199,828	\$ 23,199,828	\$ 5,143,144	\$ 5,224,593	22.5%	
NON-PERSONNEL ACCOUNTS						
Administration	\$ 585,535	\$ 585,535	\$ 135,153	\$ 122,379	20.9%	
Finance	\$ 950,128	\$ 950,128	\$ 172,222	\$ 227,221	23.9%	
Customer Service	\$ 114,080	\$ 114,080	\$ 33,138	\$ 21,158	18.5%	
Human Resources	\$ 59,322	\$ 59,322	\$ 3,278	\$ 2,782	4.7%	
Information Technology	\$ 103,670	\$ 103,670	\$ 14,783	\$ 20,928	20.2%	
District Counsel	\$ 21,735	\$ 21,735	\$ 3,937	\$ 1,742	8.0%	
Risk Management	\$ 206,350	\$ 206,350	\$ 44,452	\$ 27,598	13.4%	
Facilities Maintenance	\$ 476,840	\$ 476,840	\$ 73,132	\$ 72,059	15.1%	
Paratransit Program	\$ 3,506,306	\$ 3,506,306	\$ 254,954	\$ 422,723	12.1%	See Note 8
Operations	\$ 534,490	\$ 534,490	\$ 80,404	\$ 79,778	14.9%	
Bus Operators	\$ 7,400	\$ 7,400	\$ 41	\$ -	0.0%	
Fleet Maintenance	\$ 2,953,059	\$ 2,953,059	\$ 527,756	\$ 530,933	18.0%	
Op Prog/SCCIC	\$ 1,257	\$ 1,257	\$ 53	\$ -	0.0%	
Total Non-Personnel	\$ 9,520,172	\$ 9,520,172	\$ 1,343,303	\$ 1,529,300	16.1%	
Subtotal Operating Expense	\$ 32,720,000	\$ 32,720,000	\$ 6,486,447	\$ 6,753,893	20.6%	
Grant Funded Studies/Programs	\$ -	\$ -		\$ -	0.0%	
Transfer to/from Cap Program	\$ -	\$ -		\$ -	0.0%	
Pass Through Programs	\$ -	\$ -		\$ -	0.0%	
Total Operating Expense	\$ 32,720,000	\$ 32,720,000	\$ 6,486,447	\$ 6,753,893	20.6%	
YTD Operating Revenue Over YTD Expense				\$ 2,814,076		

**CONSOLIDATED OPERATING EXPENSE
SEPTEMBER 2003**

	FY 03-04 Final Budget	FY 03-04 Revised Budget	FY 02-03 Expended YTD	FY 03-04 Expended YTD	% Exp YTD of Budget	
LABOR						
Operators Wages	\$ 6,363,193	\$ 6,363,193	\$ 1,400,334	\$ 1,407,309	22.1%	
Operators Overtime	\$ 927,591	\$ 927,591	\$ 177,759	\$ 217,101	23.4%	
Other Salaries & Wages	\$ 6,390,190	\$ 6,340,190	\$ 1,303,457	\$ 1,330,519	21.0%	
Other Overtime	\$ 139,709	\$ 189,709	\$ 53,050	\$ 64,072	33.8%	See Note 9
	\$ 13,820,683	\$ 13,820,683	\$ 2,934,600	\$ 3,019,002	21.8%	
FRINGE BENEFITS						
Medicare/Soc Sec	\$ 148,453	\$ 148,453	\$ 31,429	\$ 34,386	23.2%	
PERS Retirement	\$ 1,164,898	\$ 1,164,898	\$ 214,674	\$ 253,069	21.7%	
Medical Insurance	\$ 2,667,738	\$ 2,667,738	\$ 524,294	\$ 609,801	22.9%	
Dental Plan	\$ 455,704	\$ 455,704	\$ 103,257	\$ 96,112	21.1%	
Vision Insurance	\$ 123,307	\$ 123,307	\$ 29,617	\$ 28,733	23.3%	
Life Insurance	\$ 60,472	\$ 60,472	\$ 12,793	\$ 13,023	21.5%	
State Disability Ins	\$ 196,085	\$ 196,085	\$ 28,292	\$ 32,926	16.8%	
Long Term Disability Ins	\$ 221,054	\$ 221,054	\$ 111,230	\$ 48,810	22.1%	
Unemployment Insurance	\$ 46,893	\$ 46,893	\$ 85	\$ 302	0.6%	
Workers Comp	\$ 1,666,634	\$ 1,666,634	\$ 337,142	\$ 415,866	25.0%	
Absence w/ Pay	\$ 2,596,775	\$ 2,596,775	\$ 813,740	\$ 666,887	25.7%	See Note 10
Other Fringe Benefits	\$ 31,131	\$ 31,131	\$ 1,991	\$ 5,677	18.2%	
	\$ 9,379,144	\$ 9,379,144	\$ 2,208,544	\$ 2,205,591	23.5%	
SERVICES						
Acctng/Admin/Bank Fees	\$ 299,484	\$ 299,484	\$ 78,589	\$ 72,834	24.3%	
Prof/Legis/Legal Services	\$ 490,180	\$ 490,180	\$ 63,016	\$ 50,345	10.3%	
Custodial Services	\$ 89,000	\$ 89,000	\$ 16,041	\$ 19,387	0.0%	
Uniforms & Laundry	\$ 40,500	\$ 40,500	\$ 5,736	\$ 5,446	13.4%	
Security Services	\$ 346,188	\$ 346,188	\$ 45,178	\$ 45,314	13.1%	
Outside Repair - Bldgs/Eqmt	\$ 188,686	\$ 188,686	\$ 32,787	\$ 24,502	13.0%	
Outside Repair - Vehicles	\$ 271,570	\$ 271,570	\$ 63,890	\$ 69,979	25.8%	See Note 11
Waste Disp/Ads/Other	\$ 109,845	\$ 109,845	\$ 14,137	\$ 5,249	4.8%	
	\$ 1,835,453	\$ 1,835,453	\$ 319,374	\$ 293,056	16.0%	
CONTRACT TRANSPORTATION						
Contract Transportation	\$ 100	\$ 100	\$ -	\$ -	0.0%	
Paratransit Service	\$ 3,289,256	\$ 3,289,256	\$ 224,144	\$ 407,847	12.4%	See Note 8
	\$ 3,289,356	\$ 3,289,356	\$ 224,144	\$ 407,847	12.4%	
MOBILE MATERIALS						
Fuels & Lubricants	\$ 1,486,549	\$ 1,486,549	\$ 251,074	\$ 252,612	17.0%	
Tires & Tubes	\$ 131,000	\$ 131,000	\$ 22,473	\$ 15,751	12.0%	
Other Mobile Supplies	\$ 6,500	\$ 6,500	\$ 318	\$ 1,742	26.8%	See Note 12
Revenue Vehicle Parts	\$ 515,000	\$ 515,000	\$ 94,254	\$ 86,373	16.8%	
	\$ 2,139,049	\$ 2,139,049	\$ 368,120	\$ 356,478	16.7%	

**CONSOLIDATED OPERATING EXPENSE
SEPTEMBER 2003**

	FY 03-04 Final Budget	FY 03-04 Revised Budget	FY 02-03 Expended YTD	FY 03-04 Expended YTD	% Exp YTD of Budget	
OTHER MATERIALS						
Postage & Mailing/Freight	\$ 22,367	\$ 22,467	\$ 5,827	\$ 3,670	16.3%	
Printing	\$ 73,275	\$ 73,275	\$ 13,679	\$ 15,694	21.4%	
Office/Computer Supplies	\$ 64,250	\$ 64,250	\$ 9,887	\$ 12,868	20.0%	
Safety Supplies	\$ 19,825	\$ 19,825	\$ 1,536	\$ 2,689	13.6%	
Cleaning Supplies	\$ 66,100	\$ 66,100	\$ 10,122	\$ 3,824	5.8%	
Repair/Maint Supplies	\$ 65,000	\$ 64,900	\$ 8,834	\$ 9,496	14.6%	
Parts, Non-Inventory	\$ 50,000	\$ 50,000	\$ 9,439	\$ 5,212	10.4%	
Tools/Tool Allowance	\$ 9,600	\$ 9,600	\$ 1,900	\$ 1,505	15.7%	
Promo/Photo Supplies	\$ 14,400	\$ 14,400	\$ 536	\$ 243	1.7%	
	\$ 384,817	\$ 384,817	\$ 61,760	\$ 55,201	14.3%	
UTILITIES	\$ 323,677	\$ 323,677	\$ 67,354	\$ 65,894	20.4%	
CASUALTY & LIABILITY						
Insurance - Prop/PL & PD	\$ 641,500	\$ 641,500	\$ 92,822	\$ 150,974	23.5%	
Settlement Costs	\$ 100,000	\$ 100,000	\$ 32,376	\$ 21,754	21.8%	
Repairs to Prop	\$ -	\$ -	\$ (8,531)	\$ (801)	0.0%	
Prof/Other Services	\$ -	\$ -	\$ 72		0.0%	
	\$ 741,500	\$ 741,500	\$ 116,739	\$ 171,928	23.2%	
TAXES	\$ 49,433	\$ 49,433	\$ 2,456	\$ 5,097	10.3%	
MISC EXPENSES						
Dues & Subscriptions	\$ 51,970	\$ 51,970	\$ 33,286	\$ 10,631	20.5%	
Media Advertising	\$ 3,000	\$ 3,000	\$ 129	\$ -	0.0%	
Employee Incentive Program	\$ 10,381	\$ 10,381	\$ 1,462	\$ 1,316	12.7%	
Training	\$ 28,775	\$ 28,775	\$ 2,194	\$ 3,577	12.4%	
Travel	\$ 35,941	\$ 35,941	\$ 3,927	\$ 3,149	8.8%	
Other Misc Expenses	\$ 18,314	\$ 18,314	\$ 2,526	\$ 5,090	27.8%	See Note 13
	\$ 148,381	\$ 148,381	\$ 43,522	\$ 23,763	16.0%	
OTHER EXPENSES						
Leases & Rentals	\$ 608,506	\$ 608,506	\$ 139,834	\$ 150,036	24.7%	
	\$ 608,506	\$ 608,506	\$ 139,834	\$ 150,036	24.7%	
Total Operating Expense	\$ 32,720,000	\$ 32,720,000	\$ 6,486,447	\$ 6,753,893	20.6%	

**MONTHLY REVENUE AND EXPENSE REPORT
FY 02-03 CAPITAL IMPROVEMENT PROGRAM**

CAPITAL PROJECTS	Program Budget	Expended in September	YTD Expended
<u>Grant Funded Projects</u>			
MetroBase	\$ 9,306,548	\$ 3,010	\$ 12,559
Urban Bus Replacement	\$ 6,018,365	\$ 9,094	\$ 14,190
Metro Center Renovation Project	\$ 108,891		\$ 6,788
Spare Parts for New Buses (carryover)	\$ 97,550		
	\$ 15,531,354		
<u>District Funded Projects</u>			
Bus Stop Improvements	\$ 60,000		
IT Projects	\$ 15,000	\$ 1,621	\$ 1,621
Paratransit Program	\$ 15,000		
Facilities Repairs & Improvements	\$ 65,000		
Radio Repeater	\$ 13,000		
Bus Windows	\$ 29,000		
Non-revenue Vehicle Replacement	\$ 116,000		
Office Equipment	\$ 39,500		\$ 12,640
Storage Container	\$ 1,800		\$ 1,998
Transfer to Operating Budget	\$ 350,000		
	\$ 704,300		
TOTAL CAPITAL PROJECTS	\$ 16,235,654	\$ 13,725	\$ 49,796
<u>CAPITAL FUNDING SOURCES</u>			
	Budget	Received in September	YTD Received
Federal Capital Grants	\$ 8,309,278	\$ -	\$ -
State/Local Capital Grants	\$ 4,844,713	\$ -	\$ -
STA Funding	\$ 821,414	\$ -	\$ -
District Reserves	\$ 2,260,249	\$ 13,725	\$ 49,796
TOTAL CAPITAL FUNDING	\$ 16,235,654	\$ 13,725	\$ 49,796

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

1. Passenger fares (farebox and pass sales) are \$60,612 or 6.5% over the final budget amount for the year to date. Paratransit fares are \$14,128 under budget for the period as a result of fewer trips than projected, with a corresponding decrease in program expense. Special transit fares (contracts) are \$11,445 or 4.9% under the budgeted amount. UCSC contract revenue is \$10,431 under budget due to a later start date for regular classes this year. Employer bus pass program revenue is \$2,672 over budget. Highway 17 Express revenue is \$71,268 or 30% under the year to date budgeted amount due to a lower subsidy. So while VTA's payment is reduced, there is a corresponding reduction in District expense. This will be reflected in the upcoming budget revision. Together, all four passenger revenue accounts are under the budgeted amount for the first three months of the fiscal year by a net \$36,229 or 2.5%.
2. Advertising income shows revenue of \$17,509 due to a final payment from OBIE Media that was not budgeted.
3. Rent income is \$2,507 below budget due to the vacant restaurant space at Watsonville Transit Center during this period.
4. Sales tax income is under budget by \$278,838 or 6.9% for the first three months of the fiscal year. For the April – June 2003 sales period, sales tax revenue for the District was down by 4.3% from the same period one year ago, while the budget projected a 3.0% increase for the period. Staff worked with State Board of Equalization staff to ensure that there were no adjustments or payment delays that would contribute to this decrease, since statewide, sales tax revenues were up 5% for the period. However, a decrease in sales tax revenue was experienced by most jurisdictions in Santa Cruz County, as follows:

City of Capitola	+4.0%
City of Santa Cruz	-2.5%
City of Scotts Valley	-7.0%
City of Watsonville	-1.1%
County Unincorporated Areas	+1.4%
SCCRTC (1/4% TDA)	-5.6%
5. FTA operating assistance for rural areas is over budget by \$19,003 or 41% because the District's allocation was increased over the original estimate.
6. Human Resources personnel expense is at 25.3% of the budget due to payment of administrative fees for the workers' compensation program.
7. Information Technology personnel expense is at 25.7% of the budget due to increased costs resulting from employee insurance coverage changes.
8. Paratransit program expense is only at 12.1% of the budget because the September billing was not submitted by the contractor by the report deadline. If the September billing were included, expenses would be at 18% of the budget.

9. Overtime expense for non-operators is at 33.8% of the budget due to shift coverage for Transit Supervisors on vacation. Total Operations payroll is within budget.
10. Absence with pay is at 25.7% of the budget since more vacation time is taken in the summer months. Total payroll is within budget.
11. Outside repair of vehicles is at 25.8% of the budget due to engine and transmission rebuilds.
12. Other mobile supplies expense is at 26.8% of the budget due to a volume purchase of upholstery material.
13. Other miscellaneous expense is at 27.8% of the budget due to write-off of past due accounts in the amount of \$2,080.

FY 03-04 BUDGET TRANSFERS
10/1/03-10/31/03

	ACCOUNT #	ACCOUNT TITLE	AMOUNT
TRANSFER # 04-001			
TRANSFER FROM:	504409-2200	Repairs & Maintenance	\$ (100)
TRANSFER TO:	504205-2200	Freight Out	\$ 100
REASON:	To cover cost to ship parts for repair for the Facilities Maintenance Department.		
TRANSFER # 04-002			
TRANSFER FROM:	501021-3200	Other Salaries	\$ (50,000)
TRANSFER TO:	501023-3200	Other Overtime	\$ 50,000
REASON:	To cover the costs for Supervisor overtime in the Operations Department for FY 03-04.		

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: November 21, 2003

TO: Board of Directors

FROM: Steve Paulson, Paratransit Administrator

SUBJECT: METRO PARACRUZ PROGRAM STATUS MONTHLY UPDATE

I. RECOMMENDED ACTION

This report is for information only- no action requested

II. SUMMARY OF ISSUES

- The Board receives monthly reports on the status of the federally mandated ADA complementary paratransit program
- Operating Statistics reported are for the month of August 2003
- Cost reflects hourly rate increased by 4% over previous fiscal year.
- Revenue and subsidy figures reflect impact of fare increase.
- Eligibility/Recertification statistics reported are through Oct 31, 2003

III. DISCUSSION

Operating Statistics for the Month of August 2003

	This August	Last August	% Change	FYTD	Last FYTD	% Change
Cost	\$198,637.88	\$229,425.75	-13.42 %	\$407,847.02	\$453,570.11	-10.08 %
Revenue	\$21,810.00*	\$18,452.00	+18.20 %	\$44,754.00*	\$37,672.00	+18.80 %
Subsidy	\$176,827.88	\$210,973.75	-16.18 %	\$363,093.02	\$415,898.11	-12.70 %
Rides performed	7402	9226	-19.77 %	15,289	18,836	-18.83 %
Cost/ Ride	\$26.84	\$24.87	7.92 %	\$26.68	\$24.08	10.78 %
Productivity	1.993 rides per hour	2.059 rides per hour	-3.20%	2.001 rides per hour	2.131 rides per hour	-6.06%

* Revenue does not equal \$3.00/ride because no revenue is generated by rides to and from certification interviews.

Performance Measures

	July	Aug	FYTD
Rides	7887	7402	15,289
late pick ups (more than 20 minutes)	452	379	831
% late	5.73%	5.12%	5.44%
Picked up too early (more than 10 minutes)	252	271	523
Total rides not "on time"	704	650	1354
% "on time"	91.07%	91.22%	91.14%
missed trips	2	5	7
Excessively late scheduled (more than 60 minutes)	14	4	18
Excessively late will call (more than 100 minutes)	4	3	7
total violation w/ \$50 penalty	20	12	32
Liquidated damages	\$1,000	\$600	\$1600
non ADA rides of dist	15	5	20

Eligibility Certification/ Recertification

Of the original 10, 052 paper applicants, there are fewer than 1300 persons to notify for assessment. All riders with any ride history in calendar 2003 have been notified. The recertification project should be completed before the end of the fiscal year.

Number of new applicants assessed since August 1, 2002: 1501. Of those, 1383 were approved for some level of eligibility.

Number of recertification assessments completed: 1322. Of those, 1247 were approved for some level of eligibility

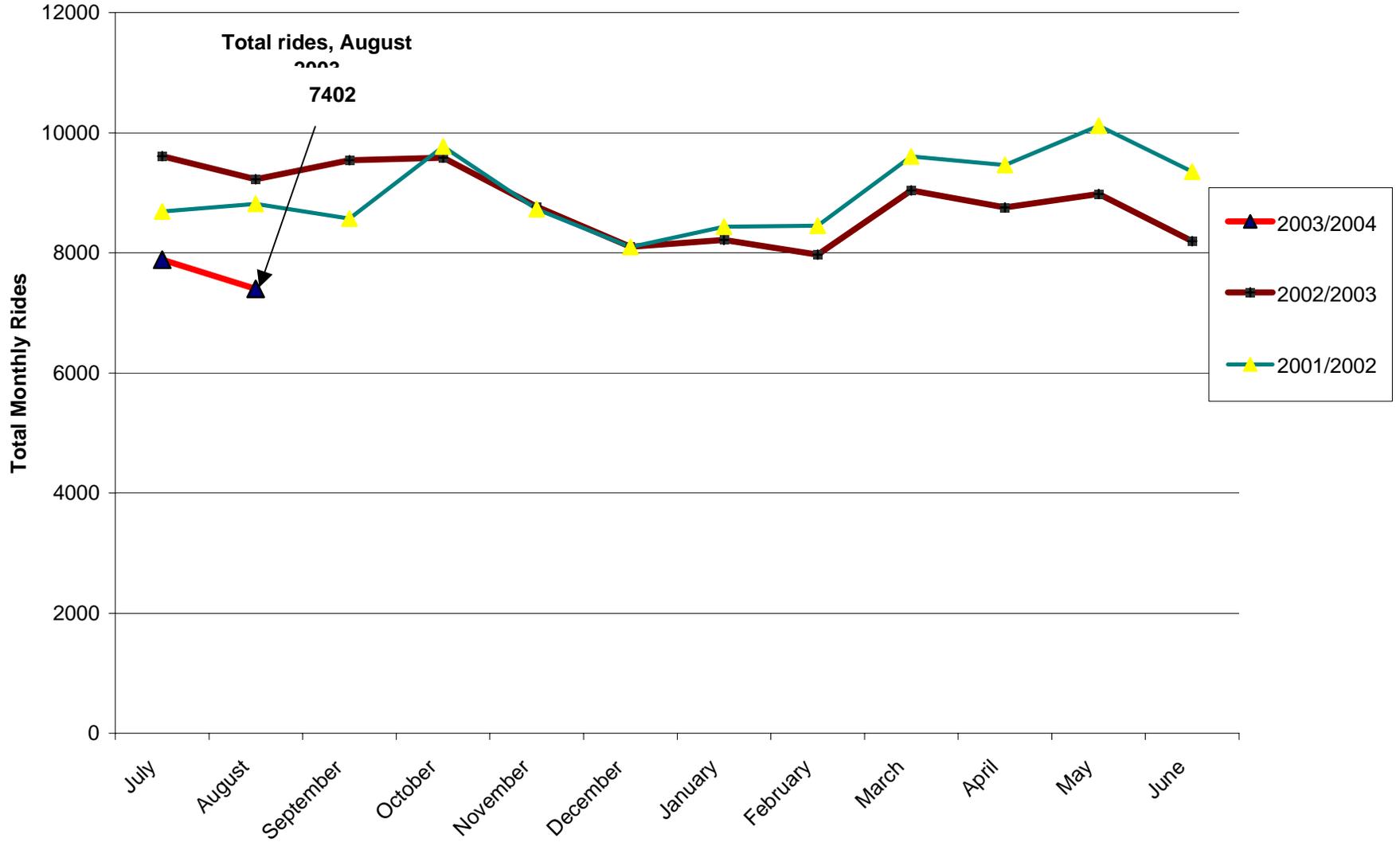
IV. FINANCIAL CONSIDERATIONS

none

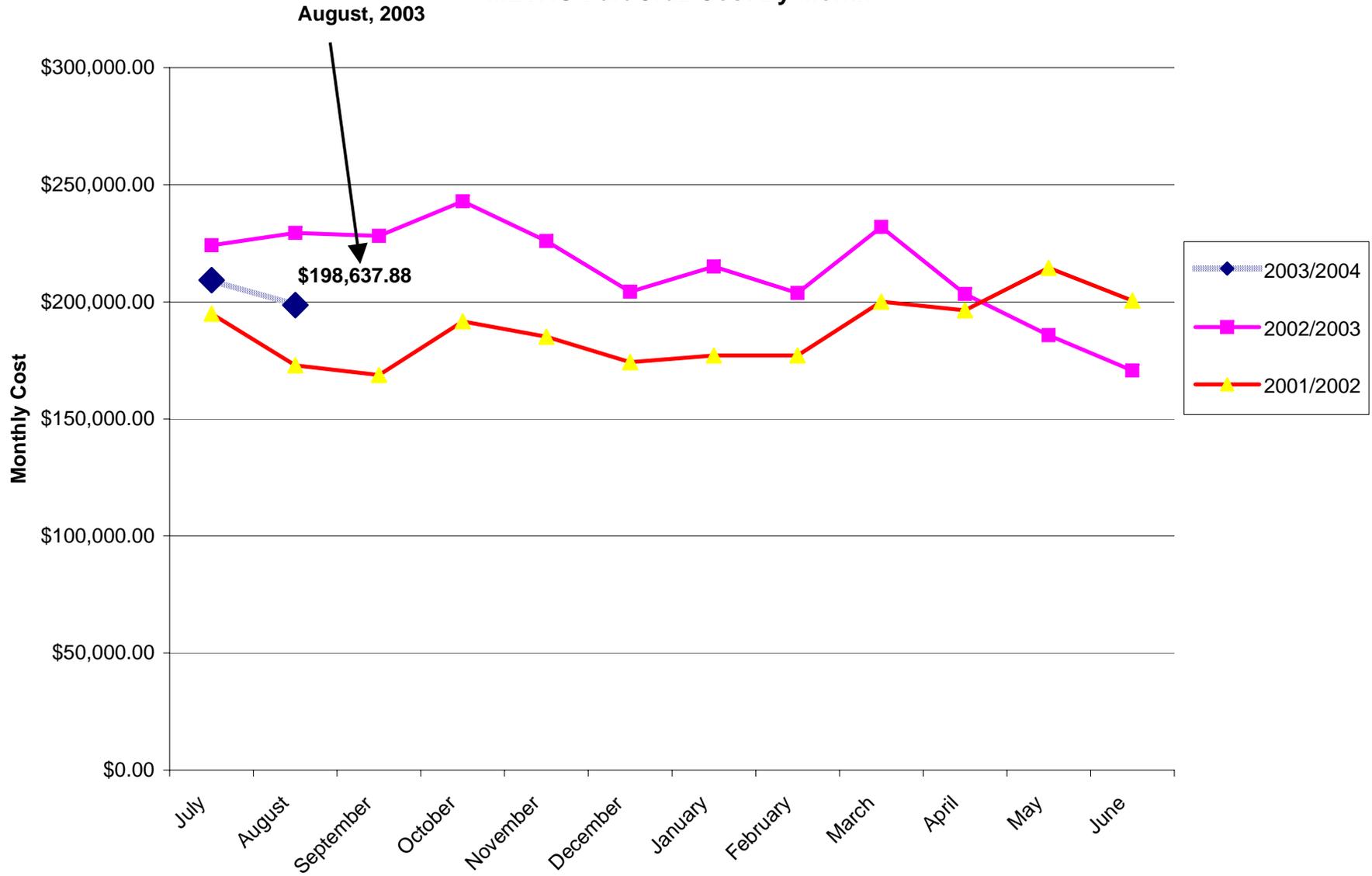
V. ATTACHMENTS

- Attachment A:** METRO ParaCruz Rides by Month
- Attachment B:** METRO ParaCruz Cost by Month
- Attachment C:** Recertification and New Applicant Eligibility Determinations
- Attachment D:** METRO ParaCruz Registrants by Month

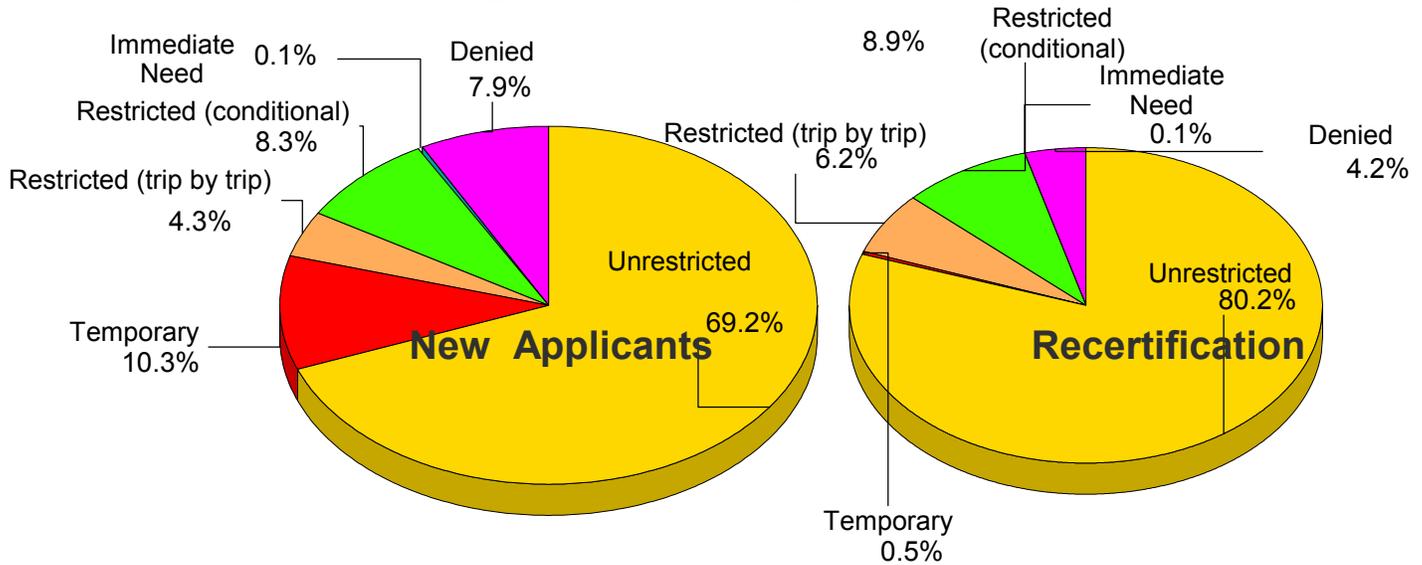
METRO ParaCruz Rides by Month



METRO ParaCruz Cost By Month



METRO ParaCruz Eligibility Determinations - Aug 1 02 through Oct 31 03



New Applicants

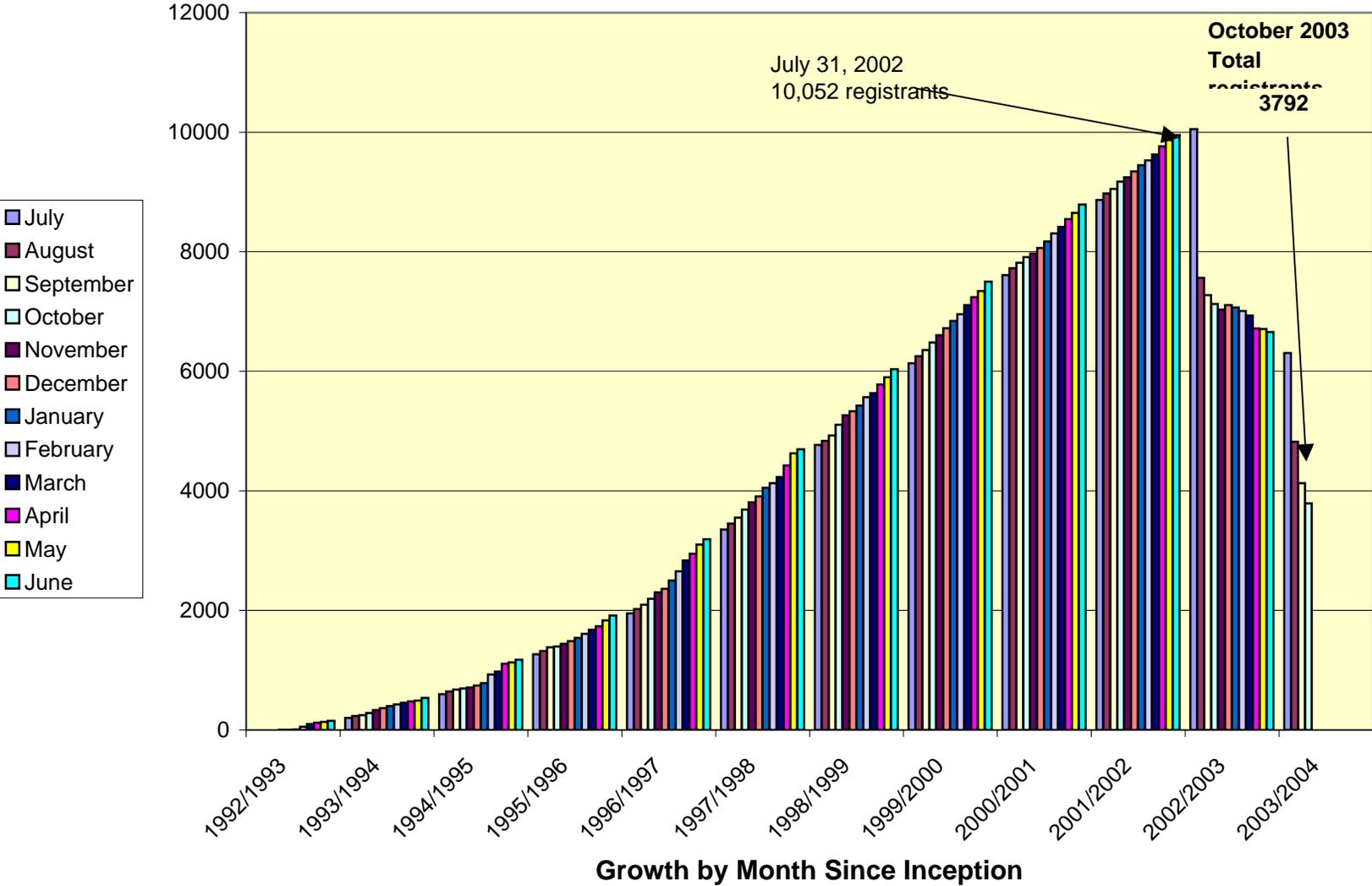
Unrestricted	1039
Temporary	154
Restricted (trip by trip)	64
Restricted (conditional)	125
Immediate Need	1
Denied	118
Group Total:	<u>1501</u>

Recertification

Unrestricted	1060
Temporary	6
Restricted (trip by trip)	82
Restricted (conditional)	118
Immediate Need	1
Denied	55
Group Total:	<u>1322</u>

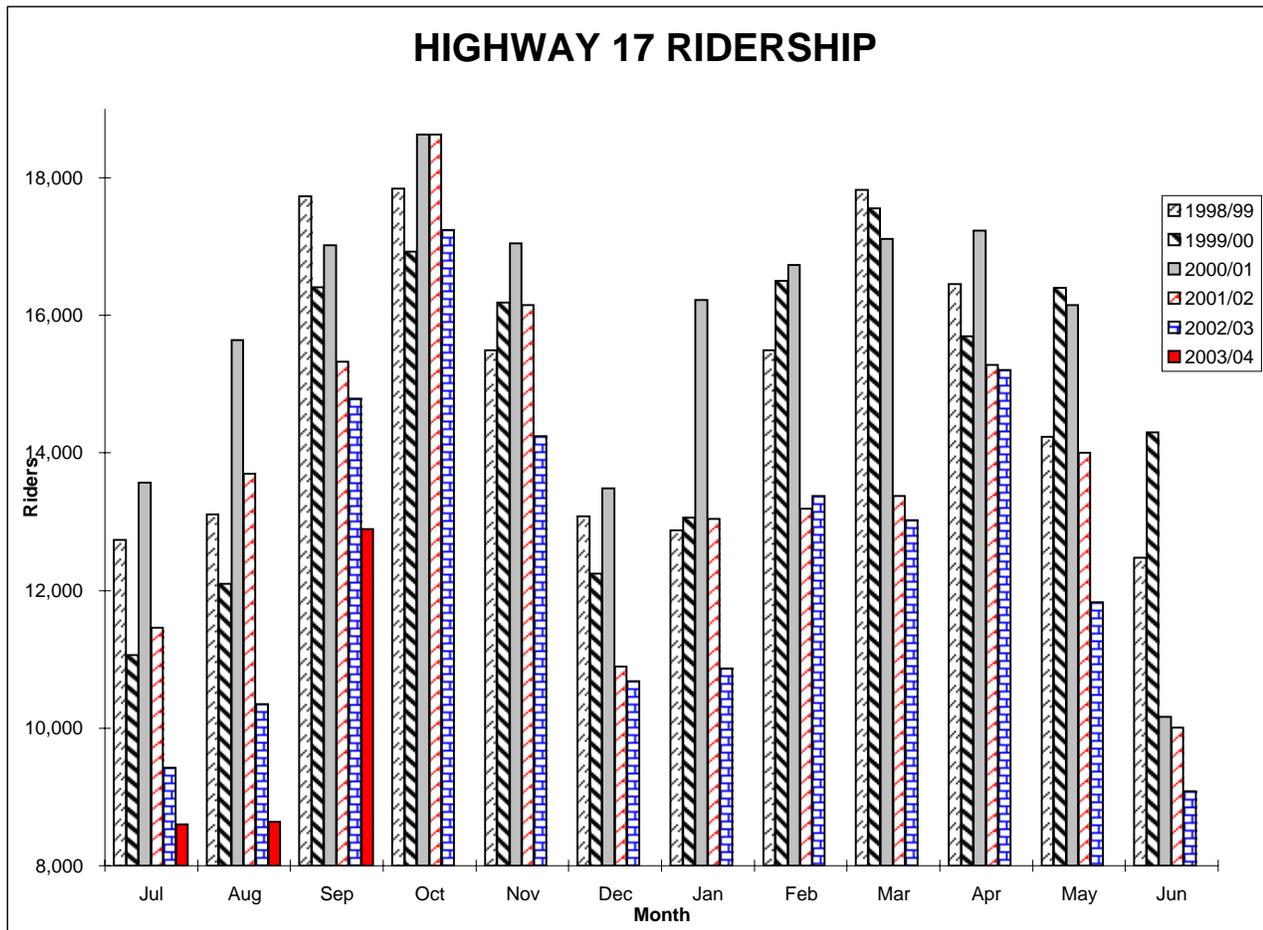
Grand Total: 2823

METRO ParaCruz Registrants



HIGHWAY 17 - SEPTEMBER 2003

	September			YTD		
	2002/03	2001/02	%	2002/03	2001/02	%
FINANCIAL						
Cost	\$ 81,465	\$ 95,666	(14.8%)	\$ 248,276	\$ 306,131	(18.9%)
Farebox	\$ 31,692	\$ 36,151	(12.3%)	\$ 76,575	\$ 88,282	(13.3%)
Operating Deficit	\$ 47,747	\$ 55,445	(13.9%)	\$ 169,674	\$ 213,276	(20.4%)
Santa Clara Subsidy	\$ 23,873	\$ 27,722	(13.9%)	\$ 84,837	\$ 106,638	(20.4%)
METRO Subsidy	\$ 23,873	\$ 27,722	(13.9%)	\$ 84,837	\$ 106,638	(20.4%)
San Jose State Subsidy	\$ 2,027	\$ 4,070	(50.2%)	\$ 2,027	\$ 4,572	(55.7%)
STATISTICS						
Passengers	12,892	14,794	(12.9%)	30,137	34,568	(12.8%)
Revenue Miles	28,888	32,572	(11.3%)	88,038	104,231	(15.5%)
Revenue Hours	1,177	1,296	(9.2%)	3,587	4,147	(13.5%)
PRODUCTIVITY						
Cost/Passenger	\$ 6.32	\$ 6.47	(2.3%)	\$ 8.24	\$ 8.86	(7.0%)
Revenue/Passenger	\$ 2.46	\$ 2.44	0.6%	\$ 2.54	\$ 2.55	(0.5%)
Subsidy/Passenger	\$ 3.86	\$ 4.02	(4.0%)	\$ 5.70	\$ 6.30	(9.6%)
Passengers/Mile	0.45	0.45	(1.7%)	0.34	0.33	3.2%
Passengers/Hour	10.95	11.42	(4.1%)	8.40	8.34	0.8%
Recovery Ratio	38.9%	37.8%	2.9%	30.8%	28.8%	7.0%



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: November 21, 2003

TO: Board of Directors

FROM: Bryant J. Baehr, Manager of Operations

SUBJECT: UNIVERSITY OF CALIFORNIA - SANTA CRUZ SERVICE UPDATE

I. RECOMMENDED ACTION

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

II. SUMMARY OF ISSUES

- Student billable trips for September 2003 decreased by (31.3%) versus September 2002. Year to date student billable trips have decreased by (18.1%).
- Faculty / staff billable trips for September 2003 increased by 23.9% versus September 2002. Year to date faculty / staff billable trips have increased by 18.6%.
- Revenue received from UCSC for September 2003 was \$88,114.29 versus \$125,638 a decrease of (29.9%).

	Billable Days	Faculty/Staff Ridership	Student Ridership	Monthly Increase - (Decrease) Student	Monthly Increase - (Decrease) Faculty-Staff
This Year	21	13,850	78,670	(31.3%)	23.9%
Last Year	20	11,181	114,457		

*In 2002 Fall instruction started on September 19, 2002. This year Fall instruction started 6 days later on September 25, 2003. This accounts for the decrease in student ridership / billable rides.

III. DISCUSSION

September 25, 2003 started the fall instructional session at UCSC. A summary of the results for September 2003 is:

- Student billable trips for the month of September 2003 were 78,670 vs. 114,457 for September 2002 a decrease of (31.3%).
- Faculty / staff billable trips for the month of September 2003 were 13,850 vs. 11,181 for September 2002 an increase of 23.9%.

- Year to date Student billable trips decreased by (31.3%) and faculty / staff billable trips increased by 23.9%.
- In September 2003 the charge for service was \$88,114.29. The charge for September 2002 was \$125,638. This represents a (29.9%) decrease in revenue for September 2003 versus September 2002.

IV. FINANCIAL CONSIDERATIONS

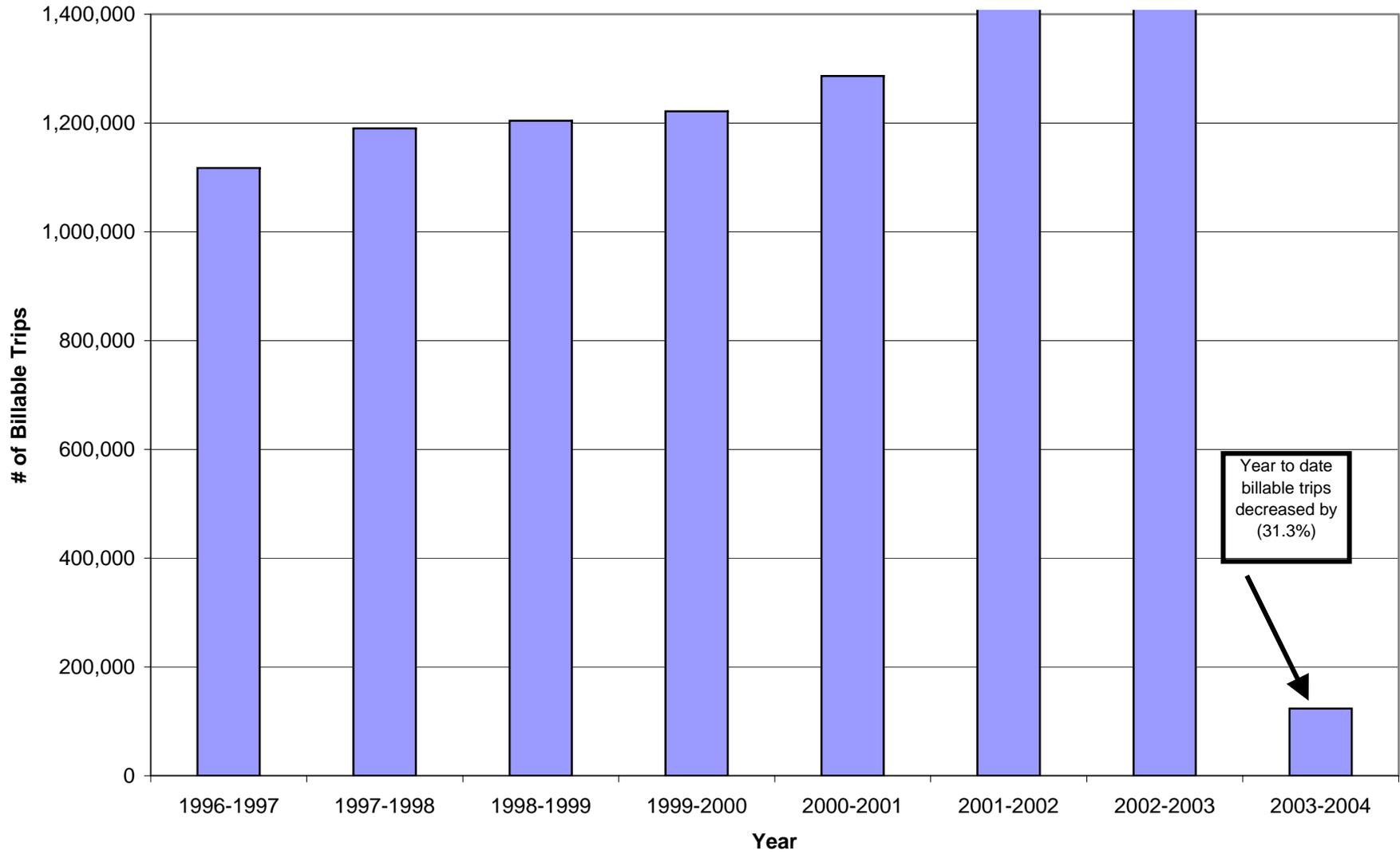
NONE

V. ATTACHMENTS

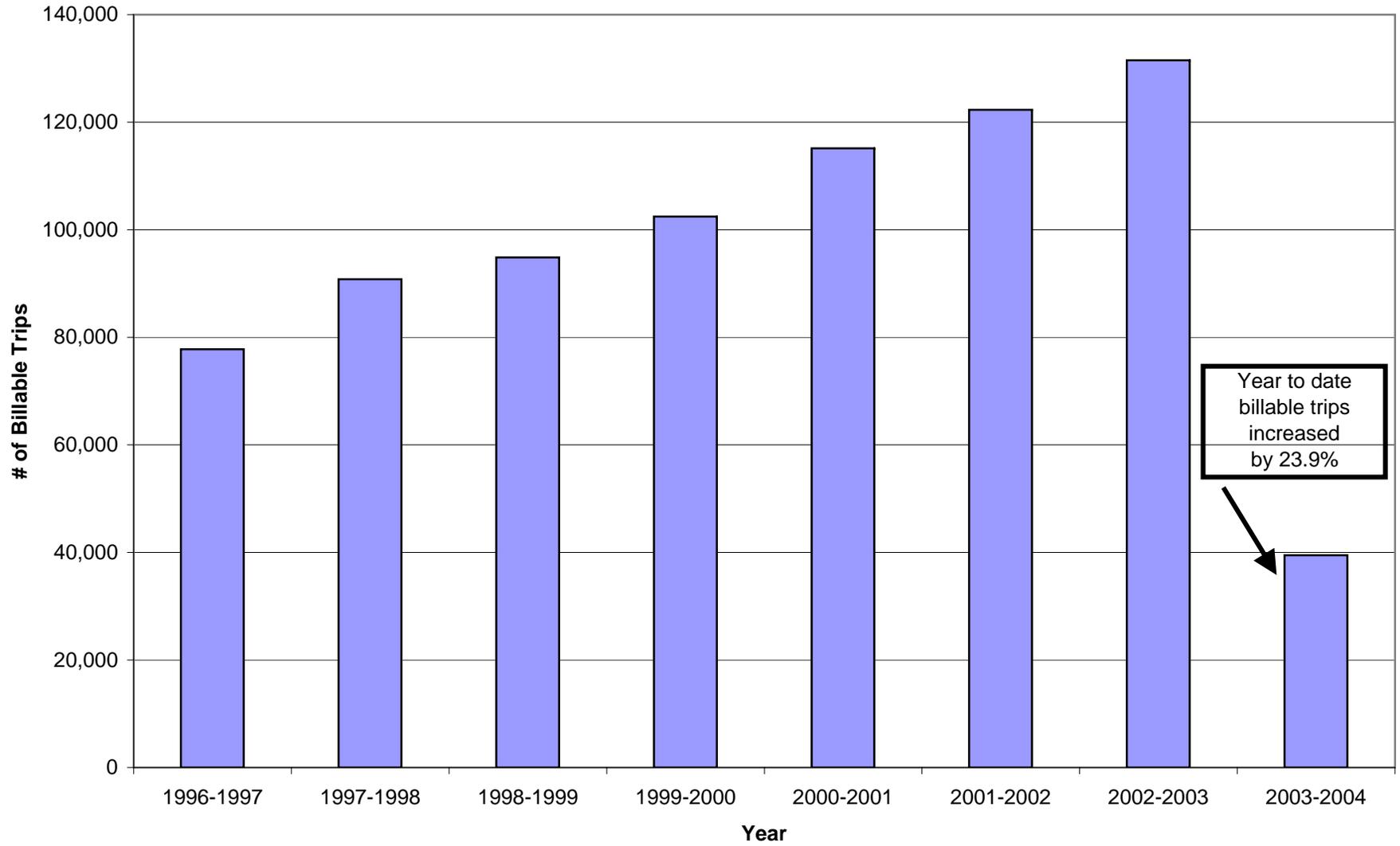
Attachment A: UCSC Student Billable Trips

Attachment B: UCSC Faculty / Staff Billable Trips

UCSC Student Billable Trips



UCSC Faculty / Staff Billable Trips



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: November 21, 2003
TO: Board of Directors
FROM: Mark J. Dorfman, Assistant General Manager
SUBJECT: METROBASE PROJECT STATUS REPORT

I. RECOMMENDED ACTION

That the Board of Directors accept the status report on the MetroBase project.

II. SUMMARY OF ISSUES

- The MetroBase Project is currently proceeding in accordance with the schedule attached to this Staff Report, which is the schedule for the RNL Design Contract.
- RNL Design continues to work on the design process having completed the three (3) on-site design charrettes.
- This past month, another Open House for employees was held in the evening of November 3, 2003.
- During this recent visit, RNL has been finalizing the site plans, floor plans with METRO staff input and also looking at concepts for building massing.
- The City of Santa Cruz is continuing to work on the real estate acquisition and relocation phase of the project.
- A final interview was held with the desired Project Manager candidate on November 7, 2003, which resulted in the need to re-advertise the position

III. DISCUSSION

The MetroBase Project is proceeding as per the attached timeline (Attachment A). The format of the chart has changed to reflect the timeline and events that are contained in the RNL Design Contract. Using this document will allow the Board to directly track the future progress of the project and the architect's compliance. RNL Design is progressing on schedule at this point in the process. .

This month RNL Design conducted the third design charrette at our offices. The work primarily involved finalizing site plans, floor plans with METRO staff. In addition, concepts for building massing was initiated. On November 3, 2003 another Open House was held for METRO employees to see the work as it progresses. This activity continues to be well received by those in attendance and the architectural firm has been extremely visible to District staff.

During the next month, RNL will initiate the Geotechnical investigation, as well as initiate the Schematic Design Phase of the project. As part of this process, a preliminary cost estimate will be developed. Also on the schedule is a meeting with the City of Santa Cruz Planning Department. Lastly, work is scheduled to start on a Peer Review of the design plans to date using transit industry professionals.

The City continues to work on the real estate acquisition and relocation aspects of the project. No significant issues have surfaced during this past month.

IV. FINANCIAL CONSIDERATIONS

No actions have taken place during the reporting period that have changed the financial status of the MetroBase project.

V. ATTACHMENTS

Attachment A: MetroBase Project Schedule

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: November 21, 2003
TO: Board of Directors
FROM: David J. Konno, Manager of Facilities Maintenance
SUBJECT: SANTA CRUZ NEEDLE EXCHANGE REPORT FOR TRANSIT CENTERS

I. RECOMMENDED ACTION

File report

II. SUMMARY OF ISSUES

- Each Transit Center has two sharps disposal containers in its public restrooms
- SC Needle Exchange provides usage data

III. DISCUSSION

A Sharps disposal container was installed in each of the public restrooms at the District's three Transit Centers. Santa Cruz Needle Exchange is responsible for monitoring and disposal of the contents. This is the first report from the Needle Exchange on usage.

IV. FINANCIAL CONSIDERATIONS

None

V. ATTACHMENTS

Attachment A: Usage report

SHARPS Report for the SCMTD

Week of 9/23/03 done by Meaghan

Location	# of estimated syringes	Other Contents	Comments or Damage	Replaced? Yes or No
Scotts Valley Men's	3	----	Diabetic points	No
Scotts Valley Women's	2	----	Diabetic points	No
Watsonville Men's	0	Gum	----	No
Watsonville Women's	0	Trash	----	No
Santa Cruz Men's	50	Other drug paraphernalia, trash	----	No
Santa Cruz Women's	100	Trash	----	YES

Week of 10/7/03 done by Meaghan

Location	# of estimated syringes	Other Contents	Comments or Damage	Replaced? Yes or No
Scotts Valley Men's	----	----	----	----
Scotts Valley Women's	----	----	----	----
Watsonville Men's	----	----	----	----
Watsonville Women's	----	----	----	----
Santa Cruz Men's	60	Other drug paraphernalia, trash	----	No
Santa Cruz Women's	20	----	----	No

Week of 10/20/03 done by Meaghan

Location	# of estimated syringes	Other Contents	Comments or Damage	Replaced? Yes or No
Scotts Valley Men's	----	----	----	----
Scotts Valley Women's	----	----	----	----
Watsonville Men's	----	----	----	----
Watsonville Women's	----	----	----	----
Santa Cruz Men's	80	Other drug paraphernalia, trash	----	No
Santa Cruz Women's	30	----	----	No

Next run due the weeks of 10/27/03 and 11/3/03 due to vacation time.
Number of containers left: 85

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: November 21, 2003
TO: Board of Directors
FROM: Mark Dorfman, Assistant General Manager
SUBJECT: CONSIDERATION OF REPORT ON RECENT PUBLIC INPUT PROCESS

I. RECOMMENDED ACTION

The purpose of this report is to provide the Board with a report on the recent Public Outreach Process regarding the Fare Increase and the Service Changes.

II. SUMMARY OF ISSUES

- In the Spring of 2003, Santa Cruz METRO found itself in the position of having to raise fares and cut service in order to balance the budget.
- Due to the serious nature of these changes, there was a desire to conduct an extensive outreach program to inform the public of these possible changes to the system.
- In March and April of this year, staff conducted a series of public meetings throughout the service area.
- Meetings were held both in the afternoon and the evening to accommodate a wide range of participation.
- Staff has undertaken a review of this public outreach effort for the Board's consideration.

III. DISCUSSION

In the Spring of 2003, as a result of the economy, it became necessary for fares to be increased and service to be reduced. These actions were required to balance the FY 2003-04 budget. While the service reduction proposed was of a minor nature, there were some route eliminations involved. In addition, the Board was considering a wide range of possible fare increases and there was interest in hearing from the public.

In addition to the mandated hearings that were conducted in front of the Board, staff held 8 meetings on the Service Reductions and 6 meetings on the Fare Changes. In every instance, these meetings were held at 4:00 pm and 6:30 pm. This was done to provide people who worked an opportunity to attend the meetings.

These meetings were staffed with a note taker, someone to perform Spanish translation, and two staff members. Additionally, at least one manager was present for all of the meetings.

For the purposes of this analysis of the meetings, management time was not included, nor was the fringe cost for the employees involved. The meetings were held at locations where there was no cost for the rooms used. This helped to keep the outreach costs down. The only costs included were media cost and staff time.

Attachment A is a summary of the costs and results from the Public Outreach Program. As can be seen from the information, the average cost per meeting was \$403. The meetings for the Service Reductions had greater attendance, with 35 people attending, while only 7 people attended to the Fare Change Meetings. The average cost per attendee at the hearings was \$134.31, and the average cost per comment received was \$64.84.

The chart also shows a distribution by time of the meeting. There were 22 people who attended the afternoon meetings, and 20 people attended the evening meetings. This was an extensive outreach program due to the severity of the changes to the system. The outreach did not appear to generate large numbers of attendees at the meetings.

The Board may wish to consider an alternative strategy of simply conducting public hearings such as these as part of the regular and/or special meetings as a cost saving in the future. If the meeting is televised, this has the ability to reach more people. Staff is requesting direction from the Board as to how they wish to conduct these types of hearings in the future:

- Status Quo
- Afternoon vs. Evening
- Separate vs. Board Meetings

IV. FINANCIAL CONSIDERATIONS

The cost for these public meetings totaled over \$5,600.

V. ATTACHMENTS

Attachment A: Public Outreach Analysis

**Public Outreach Analysis
Service Cut and Fare Increase
Spring, 2003**

	# Outreach Meetings	# Media Spots *	Total Media Cost	# Staff Hours @ Meetings	Staff Cost of ** Meetings	Attendees	Comments ***	Meetings COST	AVG Cost meeting	AVG Cost Attendee	AVG Cost Comment
Service Cut	8	4	1,921	12.58	1,299.99	35	70	\$3,221	\$403	\$92	\$46
Fare Change	6	5	1,999	7.33	421.29	7	17	\$2,420	\$403	\$346	\$142
total	14	9	3,920	19.91	1721.28	42	87	\$5,641	\$403	\$134	\$65

- * Media spots in addition to those required for mandatory public hearings
- ** Staff Cost = Hourly wage only without fringe benefits. Excludes all management salaries.
- *** Includes Mail & Web comments, but does not include those from regularly scheduled MUG & MASTF Meetings

All Meetings: Results by Time #

Time	Participant	Comment	Cost / Participant	Cost / Comment
16:00	22	13	\$128	\$217
18:30	20	14	\$141	\$201
	42	27		

Count of participants and comments received at the meetings only

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: November 21, 2003

TO: Board of Directors

FROM: Mark Dorfman, Assistant General Manager

SUBJECT: CONSIDERATION OF A RESOLUTION AUTHORIZING AN AMENDED TDA CLAIM FOR FY2004.

I. RECOMMENDED ACTION

Adopt a resolution authorizing staff to submit an amended claim to the Santa Cruz County Regional Transportation Commission for FY2004 Transportation Development Act (TDA) funds.

II. SUMMARY OF ISSUES

- In March, METRO staff submitted a claim to the Santa Cruz County Regional Transportation Commission (SCCRTC) for \$5,392,889 in TDA funds based upon SCCRTC's forecast of TDA revenue during the coming year.
- In its amended FY2004 Budget, the SCCRTC reduced the apportionment of TDA funds to all county recipients based upon decreased sales tax revenue estimate.
- Adopting the attached Resolution will authorize METRO staff to submit an amended claim to the SCCRTC for the reduced amount of TDA funds available to the District.

III. DISCUSSION

The Transportation Development Act funds local transportation projects from ¼ of one percent of the State sales tax collected in the County. Each Spring, the State Board of Equalization appraises the Santa Cruz County Regional Transportation Commission (SCCRTC) of the revenue amount projected to be allocated to the County from this sales tax during the coming year. In March, the District submitted a claim to the SCCRTC for \$5,392,889 in TDA funds forecast to be allocated in FY 2004.

On October 2, 2003, the SCCRTC adopted an amended FY2004 budget which reduced the amount of TDA funds available to the District from \$5,392,889 to \$5,337,724, a reduction of \$55,165. The reduction stems from a projected decrease in state sales tax which will be distributed to the SCCRTC recipients.

Adopting the attached resolution (Attachments A) will authorize staff to submit an amended claim (Attachment B) for the reduced amount of TDA funds available in FY2004.

IV. FINANCIAL CONSIDERATIONS

The amended TDA claim will decrease the TDA revenue in the District's FY2004 Budget by \$55,165.

V. ATTACHMENTS

Attachment A: Resolution Authorizing Submittal of Amended FY FY2004 TDA Claim

Attachment B: Amended FY FY2004 TDA/STA Claim

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: _____

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
AUTHORIZING AN AMENDED CLAIM TO THE
SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
FOR TRANSPORTATION DEVELOPMENT ACT FUNDS**

WHEREAS, in accordance with Article 1, Section 99210 of the Public Utilities Code the Santa Cruz Metropolitan Transit District is a transit operator; and

WHEREAS, in accordance with Article 1, Section 99214 of the Public Utilities Code the Santa Cruz County Regional Transportation Commission is the Transportation Planning Agency for Santa Cruz County; and

WHEREAS, in accordance with Article 4, Section 99260(a) of the Public Utilities Code, claims may be filed with the transportation planning agency by transit operators for the support of public transportation systems; and

WHEREAS, in accordance with 6655 of the California Code of Regulations, the Transportation Planning Agency may revise the allocation instruction to the County Auditor for payment to claimants when necessary to reconcile the Transportation Development Act apportionment estimate with actual figures,

NOW, THEREFORE, BE IT RESOLVED, that the Santa Cruz Metropolitan Transit District is authorized to submit an amended claim for funds to the Santa Cruz County Regional Transportation Commission for the support of public transit services in Santa Cruz County; and

BE IT FURTHER RESOLVED, that the General Manager of the Santa Cruz Metropolitan Transit District is authorized to submit an amended claim in the amount of \$5,337,724 for Transit Operations in FY2004. Said claim accompanies this resolution and is incorporated by reference.

PASSED AND ADOPTED this 21st day of November, 2003 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

APPROVED _____
EMILY REILLY
Chairperson

ATTEST _____
LESLIE R. WHITE
General Manager

APPROVED AS TO FORM:

MARGARET GALLAGHER
District Counsel

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

ATTACHMENT B

DATE: November 21, 2003
TO: Executive Director, SCCRTC
FROM: General Manager, SCMTD
**SUBJECT: FY 2004 AMENDED PUBLIC TRANSPORTATION CLAIM
DISBURSEMENT REQUIREMENT**

Disbursement of the Santa Cruz Metropolitan Transit District's FY 2004 claims for TDA funds (\$5,337,724) and STA funds (\$821,414) is requested as follows:

1. TDA FUNDING FOR FY 2004

<u>Disbursement Schedule</u>	<u>Operating Funds</u>	<u>Total Disbursement</u>
First Quarter	\$ 1,348,222.25	\$ 1,348,222.25
Second Quarter	\$ 1,329,833.92	\$ 1,329,833.92
Third Quarter	\$ 1,329,833.92	\$ 1,329,833.92
Fourth Quarter		
	<u>\$ 1,329,833.92</u>	<u>\$ 1,329,833.92</u>
	\$ 5,337,724.00	\$ 5,337,724.00

2. STA FUNDING FOR FY 2004

<u>Disbursement Schedule</u>	<u>Capital Funds</u>	<u>Total Disbursement</u>
First Quarter	\$ 205,353.50	\$ 205,353.50
Second Quarter	\$ 205,353.50	\$ 205,353.50
Third Quarter	\$ 205,353.50	\$ 205,353.50
Fourth Quarter	<u>\$ 205,353.50</u>	<u>\$ 205,353.50</u>
	\$ 821,414 .00	\$ 821,414 .00

This schedule adjusts three future quarters' payments to account for the amount already paid in the first quarter of FY2004. These payments are included in the District's operating budget. STA funds will be used to fund transit projects included in the District's Capital Improvement Program.

**PUBLIC TRANSPORTATION CLAIM
FISCAL YEAR 2004**

TO: SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
1523 Pacific Avenue
Santa Cruz, CA 95060

FROM: SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
370 Encinal Street, Suite 100
Santa Cruz, CA 95060

This applicant, the Santa Cruz Metropolitan Transit District, qualified pursuant to Section 99203 of the Public Utilities Code, hereby requests in accordance with Article 4, Section 6630 of the California Code of Regulations that its claim for Local Transit Funds be approved in the amount of:

TDA Funding:

Five million, three hundred thirty-seven thousand, seven hundred twenty-four dollars (\$5,337,724).

STA Funding:

Eight hundred twenty-one thousand, four hundred fourteen dollars (\$821,414).

For fiscal year 2004 to be drawn from the local transportation trust fund of the following respective county in the following respective amount:

<u>COUNTY</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
Santa Cruz	Transportation Development Act	\$5,337,724
Santa Cruz	State Transit Assistance Funds	<u>\$ 821,414</u>
		\$6,159,138

When approved, please transmit this claim for payment. Approval of the claim and payment by the County Auditor to this operator is subject to such monies being on hand and available for distribution, and to the provisions that such monies shall be used only in accordance with the terms of the approved annual financial plan.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

BY: _____
LESLIE R. WHITE
General Manager

DATE: _____ November 21, 2003 _____

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: November 21, 2003
TO: Board of Directors
FROM: Robyn Slater, Interim 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 Chairperson 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

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
EMPLOYEE RECOGNITION

TEN YEAR

None

FIFTEEN YEARS

Roberto (OJ) Ojeda, Mechanic II
(currently activated through U.S. Reserves)

TWENTY YEARS

None

TWENTY-FIVE YEARS

Patricia Clark, Bus Operator
Shelton Crutch, Transit Supervisor
David Konno, Facilities Maintenance Manager

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: November 21, 2003

TO: Board of Directors

FROM: Leslie R. White, General Manager

SUBJECT: CONSIDERATION OF APPROVAL OF DIRECTING METRO STAFF TO PREPARE A TRANSITION PLAN FOR THE DIRECT OPERATION OF PARACRUZ SERVICE FOR CONSIDERATION BY THE BOARD OF DIRECTORS IN DECEMBER 2003.

I. RECOMMENDED ACTION

That the Board of Directors instruct the General Manager to prepare a plan to transition the operation of the ParaCruz service from the current contracted service to one that is directly operated by METRO. That the General Manager be directed to present the Transition Plan to the Board for consideration at the December 2003 meetings.

II. SUMMARY OF ISSUES

- On July 1, 2002 METRO entered into a contract with Community Bridges, based upon a binding proposal submitted by Community Bridges in response to an RFP issued by METRO, to provide the complimentary paratransit service (ParaCruz) that is legally mandated by the Americans with Disabilities Act (ADA) as a civil right. The award of the contract to Community Bridges was based upon the mutual agreement that they could meet all of the requirements of the RFP at the cost identified in their proposal.
- While Community Bridges operates the ParaCruz service, METRO is legally responsible and liable to the United States Department of Justice for any instances of non-compliance with the requirements of the ADA.
- In order to maximize service capacity and reliability and eliminate the potential for double billing, the contract for ParaCruz service reflected purchasing service by the hour rather than by the trip and reflected that METRO would provide vehicles necessary for the service in order to relieve Community Bridges of capital investment costs. The name "ParaCruz" was designed through a public comment process to establish an identity for the ADA service and to assist users in distinguishing it from other non-ADA paratransit services.
- In order to comply with the ADA requirements regarding trip denials, wait times, and travel times, and due to the per hour rather than per trip payment provisions in the contract, METRO has not allowed non-ADA trips to be co-mingled with ADA trips.

- In response to an inquiry from Community Bridges in July 2002, METRO requested that Community Bridges submit a proposal for co-mingling of trips that we could evaluate to determine if such a practice was possible while meeting the ADA compliance requirements. Community Bridges responded with the requested proposal on November 6, 2003.
- METRO has received notification from Community Bridges that ParaCruz service cannot continue to be performed at the current contractual reimbursement rate. Community Bridges has submitted a proposal dated November 6, 2003 requesting a rate increase of 18% retroactive to July 1, 2003, in addition to the 4% rate increase that was provided under the contract provided on July 1, 2003. The estimated cost to the METRO operating budget for FY 2003/2004 is \$450,000. In the November 6, 2003 letter Community Bridges reserves the right to request additional rate increases in the future should unforeseen circumstances occur.
- Metro was informed on November 6, 2003 that Community Bridges is returning three (3) dedicated ParaCruz Vans. This is contrary to the intent of the contract between the METRO and Community Bridges.
- METRO has recently taken delivery of 17 new vans identified to be assigned to Community Bridges for dedicated ParaCruz service, as provided for in the current contract. It appears that Community Bridges will not accept these vehicles as they are in the process of returning vehicles that were previously assigned to them.
- The METRO Operating Budget is already out-of-balance as a result of sales tax shortfalls. Therefore, providing additional funding to Community Bridges will result in the necessity to cut existing District fixed route services.
- Community Bridges has consistently failed to comply with certain provisions of the current contract including maintaining the staffing levels identified in the proposal upon which the contract was awarded.
- METRO has assessed liquidated damages (penalties) against Community Bridges in the amount of \$36,350.00 since July 1, 2002.
- Community Bridges repaid METRO \$36,268 in 2001 as a part of a settlement agreement to resolve claims by METRO against Community Bridges for double billing multiple agencies for co-mingled trips in previous years.
- The costs for continued operation of ParaCruz service based upon the November 6, 2003 proposal exceed the level of cost estimated to be necessary were METRO to directly operate the service.
- Staff is exploring funding strategies to capitalize some of the one-time costs associated with bringing ParaCruz in-house (phone systems, scheduling software, computer hardware). These costs would be funded using federal funds and STA capital funds.

- Based upon all of the current factors, including the November 6, 2003 proposals, Staff is recommending that a transition plan be developed to implement the direct operation of the ParaCruz service.

III. DISCUSSION

The Americans with Disabilities Act (ADA) requires that public transit agencies provide complimentary paratransit service in a $\frac{3}{4}$ mile corridor around each fixed route that is operated. The hours of service that the paratransit service is provided must be the same as the hours of service operated on the adjacent fixed route. The ADA contains requirements for service quality that include the following: fare levels (twice fixed route fares), service denials (expressly prohibited), reservation times, call waiting times, travel times and missed trips. The enforcement of the requirements of the ADA is carried out by the United States Department of Justice, as the law is a civil rights statute. Failure of an agency to comply with the requirements of the ADA exposes agencies and their governing bodies to civil penalties as well as individual lawsuits. Deliberate failure to comply with the ADA can, in the extreme, result in criminal prosecution.

METRO has contracted for the provision of the complimentary paratransit service required by the ADA since that service was required to be implemented. The required service has always been provided by the Lift Line Division of Community Bridges (formerly Food and Nutrition Services). The method for purchasing the paratransit service was based on a "per ride" cost until 2002. In 2001 METRO issued a Request for Proposals for a new paratransit service contract that reflected the consultant and community recommendations that included the establishment of "ParaCruz" as a new identity to assist users in distinguishing ADA service from other non-ADA services, and to purchase service on a per hour basis in order to maximize flexibility and capacity as well as eliminate the potential for double billing for trips. METRO received two responses to the RFP. American Transit Corporation (ATC), Chicago, Illinois and Community Bridges submitted proposals to provide paratransit service under a three year contract with two one year renewal options. While the review panel selected ATC, there were a significant number of local agencies that expressed concern that a private for profit "out of town" company might replace the local non-profit agency. Community Bridges filed a formal protest challenging the decision of the review panel. During the final review of the proposals METRO became aware that the company (Multi-Systems) that had assisted in the proposal specification preparation had subsequently been purchased by ATC. While there was not any legal conflict of interest, ATC felt that, given the hostile operating climate that was evolving, it was most prudent for them to withdraw their proposal. As a result, METRO entered into a contract with Community Bridges to provide ParaCruz service commencing July 1, 2002 for a three year period of time with an option for two single year renewals.

In prior contracts with Community Bridges, the method of purchasing service has been on a per trip basis with no discounts for grouped trips. As a result of recommendations provided to METRO by the MultiSystems Consulting firm, the Request for Proposals and subsequent purchase of service contract reflected a "per hour" payment rather than "per trip". This type of contract allows for the growth in ridership in a way that does not necessarily add incremental

costs for new users on a “one to one” basis. The July 1, 2002 contract also indicated that METRO would be providing vehicles for at least a portion of the ParaCruz operation in order to minimize the capital costs required to support the service. Additionally, the July 1, 2002 contract established vehicle age and condition standards for the additional vehicles that were to be used in providing ParaCruz service. METRO has now been informed that Community Bridges will not be accepting any of the recently delivered paratransit vans and is returning three of the twelve vans that METRO had previously supplied to ensure that the newest and best equipment be available for the ParaCruz service while not unduly burdening Community Bridges with extensive capital investment requirements. The contract also prohibited the co-mingling of non-ADA trips with ADA trips. This prohibition was included to ensure that the service quality criteria required by the ADA was adhered to. At the time of contract execution, Community Bridges indicated that it was possible for limited co-mingling of ADA and non-ADA trips to take place while preserving the service quality requirements of the ADA. METRO requested that Community Bridges prepare a proposal as to how such a limited co-mingling could take place and not jeopardize ADA compliance. Community Bridges submitted a proposal regarding co-mingling of trips on November 6, 2003. I have attached the proposal from Community Bridges to this Staff Report. METRO staff will evaluate the Community Bridges proposal as well as the overall issue of co-mingling of trips and prepare a recommendation for the Board of Directors for consideration in December 2003.

Also, on November 6, 2003 METRO received a letter from Community Bridges Chief Executive Officer (CEO) Sam Storey that indicated that Community Bridges is no longer able to operate the ParaCruz service at the rates that are contained in the current contract with METRO. At the July 1, 2002 execution of the current contract with METRO, the rate contained in the contract reflected an increase, from prior years, after conversion from per trip to per hour operation. On July 1, 2003 METRO adjusted the rates under the contract upward by 4% to reflect the Cost of Living allowance that was provided for. The November 6, 2003 request proposes to increase the rates by an additional 18% retroactive to July 1, 2003. The cost of living adjustment implemented on July 1, 2003 combined with the November 6, 2003 request (to be applied retroactive to July 1, 2003), if approved, would represent a 22.7% increase in service unit cost to METRO this fiscal year. Both Community Bridges and METRO staff agree that the fiscal impact of approving this change would be the requirement for an additional \$450,000 in operating funds to be paid to Community Bridges by METRO this year. The 2003/2004 METRO Operating budget does not contain financial capacity to accommodate the request from Community Bridges without the implementation of severe fixed route service reductions.

The implementation of directly operated ParaCruz service will require the investment of “start up” funds. The Transition Plan should address the source and nature (operating/capital) of the funds that will be used to support the one time start up costs for the ParaCruz service.

METRO Staff members, as well as community members, continue to be concerned over the impact of the direct operation of ParaCruz on the other services provided by Lift Line in its role as the Consolidated Transportation Services Agency (CTSA). Therefore, staff recommends that the Board direct that the Transition Plan include a provision for the analysis of the impact of the

direct operation of ParaCruz service on the other services operated by the CTSA. The impact analysis should be undertaken after the transition of the ADA ParaCruz service and should address the feasibility of METRO operation of non-ADA services should that become necessary. The analysis should also address the preservation of the service criteria established by the ADA so that METRO is not exposed to legal liability. The evaluation and resultant findings and recommendations contained in the Transition Plan should be completed no later than 12 months after the initiation of METRO operated ParaCruz service. As Community Bridges is indicating that the other programs are subsidizing the ParaCruz service, the assumption of direct operation by METRO should relieve the funding pressure on this program and allow time for the impact analysis to be completed in collaboration with the service providers in Santa Cruz County.

Based upon the information outlined in this Staff report and in response to the letters submitted by Community Bridges on November 6, 2003, staff is recommending that the Board direct the General Manager to prepare a Transition Plan for the direct operation of the ParaCruz service for consideration in December.

IV. FINANCIAL CONSIDERATIONS

The initial estimates prepared by METRO staff indicate that the direct operation of the ParaCruz service by METRO will be less expensive than the current cost of the contracted operation if the cost increase requested by Community Bridges on November 6, 2003 is approved. If the request for additional funds from Community bridges is approved, an additional \$450,000 will be required to be provided from the 2003/2004 METRO Operating Budget. Currently, the 2003/2004 METRO Operating Budget does not contain funding necessary to accommodate the \$450,000 requested by Community Bridges.

V. ATTACHMENTS

Attachment A: November 6, 2003 Letter from Sam Story

Attachment B: November 6, 2003 Letter from Link Spooner



COMMUNITY BRIDGES
Puentes de la Comunidad

November 6, 2003

Santa Cruz Metropolitan Transit District
370 Encinal Street, Suite 100
Santa Cruz, CA 95060
Attention: Les White, General Manager

RE: Professional Services Contract
For Paratransit Services

Dear Mr. White:

I am writing because it has come to our attention that you will be bringing to the District Board of Directors the question of whether Community Bridges should continue to provide the ADA paratransportation service. Accordingly, we viewed that this would be an appropriate time to present our experience under this contract and our needs going forward.

On the question of termination of the contract, Community Bridges has no authority to take such action. That authority lies solely with the Transit District and we will accept and cooperate in any ultimate decision in that regard. However, we believe that it is in the best interests of the community and riders that the contract with Lift Line not be terminated. Ultimately, it would be less costly for the Transit District to support and assist Lift Line in fulfilling this contract.

Since bidding this contract Lift Line has experienced unforeseen escalating costs and a corresponding reduction in ADA rides. These two factors resulted in Lift Line incurring a \$786,561 deficit in fiscal year 02/03. The cost increases are due to unprecedented increases in workers' compensation insurance, liability insurance, and fuel costs. The table below compares our 01/02 costs to the budgeted 03/04 costs in these lines.

	Year 01/02	Year 03/04
Workers' Comp.	\$158,692	\$477,443
Liability Insurance	\$ 82,542	\$108,000
Operating Expenses	<u>\$107,195</u>	<u>\$147,539</u>
Group Total	<u>\$348,429</u>	<u>\$732,982</u>

www.communitybridges.org

These costs represent an increase of \$384,553 over the past 18 months.

In addition, to these escalating costs we have experienced a reduction in ADA ride demand. Consider the following annual comparisons.

	Year 01/02	Year 02/03	Year 03/04
Rides	108,083	105,989	94,343
District Revenue	\$2,497,712	\$2,373,293	\$2,272,723
Fares	<u>\$ 219,153</u>	<u>\$ 200,767</u>	<u>\$ 246,764</u>
Total Fees	<u>\$2,716,865</u>	<u>\$2,574,060</u>	<u>\$2,519,487</u>

We started the 02/3 year budgeting to provide 117,000 rides for District revenue payments of \$2,691,234. These numbers were based upon the District RFP's assumptions of 120,000 annual rides, the expected increase of rides for recertification, and historical trends. Therefore, we started 02/03 staffing to meet this expected demand. The monthly ride counts supported the projection until the spring of 2003. At that time, the normally expected spring increase in ridership did not materialize. This was due to the reductions in eligible riders through the recertification process. As a result, we were short of our budget revenues by \$317,938 in District revenue and, an additional, \$33,233 in rider fees. Totaling a revenue shortfall of **\$351,171**.

Lift Line staff has worked hard to balance its budget for 03/04 and to maintain ride performance within contract requirements. In order to balance the budget the staff has absorbed wage freezes, benefit reductions, and layoffs. Since April 1, 2003 we have laid-off 21 drivers and 7 support positions.

The most recent round of layoffs of 12 driver positions and 2.5 office positions came on October 31, 2003. These layoffs were prompted by the Central Coast Alliance for Health reducing its reimbursement rate for Medi-Cal providers by 40%. The Alliance's reimbursement reduction was projected to cause a Lift Line revenue shortfall of about \$482,000. This change affected the ADA budget because up to this point the Medi-Cal revenue had been helping to cover the deficit in ADA. We now have less ability to subsidize the ADA service.

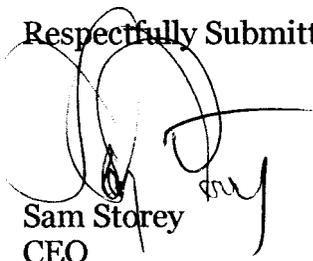
The accumulation of these cost increases, revenue reductions, and workforce reductions have put tremendous stress on the paratransportation system. It is becoming a risk to the ADA service, Lift Line and to the other programs that Community Bridges operates. For those reasons we are requesting assistance in dealing with this situation. We certainly understand that you can respond by merely taking back the ADA service. However, we wanted to provide another alternative which would be less costly still.

Section 6.13.1 of the Contract for Paratransit Services provides for making changes to the contract services. It allows changes if they 1) are necessary to accomplish the purposes of the Agreement; 2) are not set forth in the Scope of Services; 3) were not reasonably contemplated by the parties; and 4) are not due to Contractor's errors or omissions. In that spirit we believe that a rate increase should be considered under this provision of the contract.

In **conclusion**, we are requesting a rate increase from the current **\$52.30** to **\$61.74** retroactive to **July 1, 2003**. This equates to a total revenue increase of approximately \$450,000. This figure is based on current projected rides of 94,343 and reflects our projected shortfall in the ADA program after applying available TDA funds. If ride numbers changed significantly, we would need to revisit this amount. Please let us know of your decision on or before **January 2, 2004**.

Thank you for your consideration of this request.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Sam Storey', is written over the typed name and title.

Sam Storey
CEO

cc: Link Spooner
Community Bridges Board
Steve Paulson
Bryant Baehr

Lift Line
Watsonville Law center
Child Development Division
Elderday Adult Day Health Care
Child and Adult Care Food Program



COMMUNITY BRIDGES
Puentes de la Comunidad

Attachment **B**

Live Oak Family Resource Center
La Manzana Community Resources
Meals on wheels for Santa Cruz County
wic women, Infants & children Nutrition Program

November 6, 2003

Santa Cruz Metropolitan Transit District
370 Encinal Street, Suite 100
Santa Cruz, CA 95060
Attn: General Manager

Dear Mr. White:

The following is a proposal for your consideration regarding multiple funded rides. The contract provides for this proposal in Exhibit A, Part 3, 6.13.1. In 1979 AB120 passed, requiring local entities to create action plans and designate a Consolidated Transportation Services Agency to oversee local paratransit operations. In 1980 community input and planning session were held which resulted in Food and Nutrition Services (Community Bridges) being designated as the local CTSA. The Volunteer Center transferred Lift Line to Food and Nutrition Services and in 1981 Lift Line / CTSA began actual operations.

In 1979 there was a perceived need to consolidate transportation, to stop the duplication of services and infrastructure. This need has not gone away. Efficiency and economy is the product of consolidation. In 2002 the Metropolitan Transit District decided to segregate Metro **ParaCruz** riders thereby eliminating multiple funded trips. It is our intention with this proposal to demonstrate actual dollar savings to the Transit District if the multiple funded trips are allowed. The District will see savings in billable hours and the CTSA will see savings in personnel cost as well as vehicle costs. We will also see an improvement in productivity.

METHODOLOGY

To demonstrate a co-mingled schedule from a not co-mingled schedule our CIS Manager exported two days schedules from Trapeze to Access. The days were October 16th and October 20th. On October 16th our Scheduling Manager was able to co-mingle a total of 44 multiple funded trips. On October 20th she was able to co-mingle 41 multiple funded trips. He exported the data at 9pm the day before the rides were to happen. At this point the Scheduling Manager re-visited the days schedules and re-worked them to "mingle" multiple funded rides. For the purposes of this proposal we will demonstrate two separate trips with before co-mingled and after co-mingled costs to the district. We have provided the Access database to Steve Paulson created for this purpose in total. The allocation is based on a proration of actual on-board time.

EXAMPLE #1

METRO is currently invoiced at a rate of \$52.30 per billable hour. In Example #1, attached, METRO was billed \$21.81 for .417 billable hours. After co-mingling this ride with one other person (highlighted) the billable time to METRO was reduced to 0.322 hours for a savings of \$4.97. This is a real savings of 22.8%.

EXAMPLE #2

In Example #2, attached, METRO was billed \$61.03 for 1.167 billable hours. After co-mingling this ride with three non-ADA persons (highlighted) the billable time to METRO was reduced to 0.537 billable hours for a savings of \$32.94. This is a real savings of 54%.

I would like to extrapolate a dollar savings to the District based upon these assumptions.

- If 44 rides is provided at a productivity of 1.98 rides per hour there are 22.22 billable hours times \$52.30 equals \$1,162 to be billed to the District.

When we allocate on-board time.

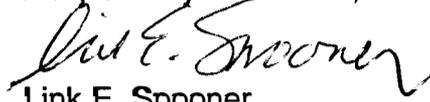
- If 33% of the time is grouped or co-mingled the billable hours is lowered to 14.89 billable hours times \$52.30 equals \$779. A savings of \$383.00 to the District.
- If 50% of the time is grouped or co-mingled the billable hours is lowered to 11.11 hours times \$52.30 equals \$581.00. A savings of \$581.00 to the District.

TRACKING

It is the responsibility of the Community Bridges CIS to validate our current invoices and he will continue to do so. The formula used is a minor variation on an allocation policy we were using prior to July 1, 2003, Steve Paulson, Paratransit Administrator for METRO, using Crystal Reports submitted by Community Bridges staff will also continue to validate the invoices.

Please let me know if there are any questions I can answer for you. We look forward to providing the most economic and most efficient paratransit service for Santa Cruz County. Thank you in advance for your kind consideration of this proposal.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Link E. Spooner". The signature is fluid and cursive, with a prominent initial "L".

Link E. Spooner
Division Director

Cc: Margaret Gallagher
Bryant Baehr
Sam Storey
Michael Robins
April Axton

Ride Time	P/U Time	D/O Time	Example 1	Example 2	Service	Code
9	10:24 AM	10:33 AM	Santa Cruz	Watsonville	0 De Laveaga Dr Stroke Center Santa Cruz	L10 ADA Ride
25	10:16 AM	10:41 AM	Santa Cruz	Watsonville	0 De Laveaga Dr Stroke Center Santa Cruz	L10 ADA Ride
10	10:11 AM	10:21 AM	Santa Cruz	Watsonville	0 De Laveaga Dr Stroke Center Santa Cruz	C9 Alliance
	0 4 17 Hours		Billable time to Metro before grouping rides			
	\$21.81		Amount billed to Metro before grouping rides			
	44 Mins		Total on board time all riders after grouping rides			
22.7%	10 Mins		On board Tie Non ADA after grouping rides			
77.3%	34 Mins		On Board ADA after grouping rides			
	0.322 Hours		Billable time to Metro after grouping rides			
	\$16.84		Amount billed to Metro after grouping rides			
22.5%	54.97		Savings to Metro after grouping rides			
44	8:36	9:20 AM	Watsonville	Watsonville	0 De Laveaga Dr Stroke Center Santa Cruz	C10 ADA Ride
90	8:00	9:30 AM	Watsonville	Pajaro	0 De Laveaga Dr Stroke Center Santa Cruz	C3 Stroke
70	8:10	9:20 AM	Watsonville	Watsonville	0 De Laveaga Dr Stroke Center Santa Cruz	C10 ADA Ride
61	8:19	9:20 AM	Watsonville	Watsonville	0 De Laveaga Dr Stroke Center Santa Cruz	C10 ADA Ride
75	8:15	9:30 AM	Watsonville	Watsonville	0 De Laveaga Dr Stroke Center Santa Cruz	C3 Stroke
66	8:14	9:20 AM	Watsonville	Watsonville	0 De Laveaga Dr Stroke Center Santa Cruz	C10 ADA Ride
40	8:50	9:30 AM	Watsonville	Watsonville	0 De Laveaga Dr Stroke Center Santa Cruz	C3 Stroke
	1.167		Billable time to Metro before grouping rides			
	\$61.03		Amount billed to Metro before grouping rides			
	446		Total on board time all riders after grouping rides			
46.0%	205		On board Time Non ADA after grouping rides			
54.0%	241		On Board ADA after grouping rides			
	0.537		Billable time to Metro after grouping rides			
	\$28.09		Amount billed to Metro after grouping rides			
54.0%	\$32.94		Savings to Metro after grouping rides			

7.64

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: November 21, 2003
TO: Board of Directors
FROM: Tom Stickel, Manager of Fleet Maintenance
SUBJECT: CONSIDER AMENDING CONTRACT FOR REVENUE AND NON-REVENUE TIRES

I. RECOMMENDED ACTION

District staff is recommending that the Board of Directors authorize the General Manager to execute an amendment to the contract with Dixon and Son, Inc. to extend the term of the contract for one (1) additional year.

II. SUMMARY OF ISSUES

- The District has a contract (#00-08) with Dixon & son, Inc. for revenue and non-revenue tires.
- At the option of the District, this contract may be renewed for four (4) additional one-year terms.
- Dixon & Son, Inc. has indicated that they are interested in extending the contract an additional year to December 14, 2004 with an increase in prices on retreads, non-revenue tires, valve stems and labor. Price increases are limited to the annual percentage change in the Consumer Price Index for the San Francisco – Oakland – San Jose area. There will be no price increases for revenue tires.

III. DISCUSSION

The District's current contract with Dixon & Son, Inc. for revenue and non-revenue tires is due to expire on December 14, 2003. Dixon & Son, Inc. has provided good service under this contract. An extension of the contract would be favorable to the District. Section 3.02 of the contract allows the District the option to renew the contract for four (4) additional one-year terms. Dixon & Son, Inc. has also reviewed the contract and has indicated their desire to extend the contract for one additional year with price increases for retreads, non-revenue tires, valve stems and labor. There will be no price increases for revenue tires. Price increases are limited to the annual percentage change in the Consumer Price Index for the San Francisco – Oakland – San Jose area as provided in the District's terms and conditions of the original invitation for bid.

It is recommended that the Board of Directors authorize the General Manager to execute an amendment to the contract with Dixon & Son, Inc. to extend the contract one (1) additional year.

IV. FINANCIAL CONSIDERATIONS

Funds are available in the Fleet Maintenance budget for this amendment.

V. ATTACHMENTS

A- Letter from Dixon & Son, Inc.

B- Third Amendment to Contract 00-08

Attachment 4

DIXON AND SON TIRE INC.
125 WALKER ST
WATSONVILLE, CA 95076

NOV 4, 2003

Santa Cruz Metropolitan
Transit District
120 Du Bois Street
Santa Cruz, Ca 95060

Attn : Lloyd Longnecker,

Re: Letter of Intent to Extend Revenue and Non Revenue Vehicle Tires Contract.

Dixon & Son Tire would like to extend the current Tire Contract with the Santa Cruz Metro for an additional year. With the option of a price increase equal to the Consumer Price Index for the San Francisco Bay on Bandag Retreading, Non Revenue Tires, Valve Stems, and Labor.

All new Revenue Tire will remain the same as last year and be billed at net state price.

We look forward to continuing doing business with you, and if you have any questions Or comments, please call me at (83 1) 722-4197.

Thank you,



David Dixon

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
THIRD AMENDMENT TO CONTRACT FOR REVENUE AND NON-REVENUE TIRES**

This Third Amendment to the Contract for revenue and non-revenue tires is made effective December 15, 2003 between the Santa Cruz Metropolitan Transit District, a political subdivision of the State of California (“District”) and Dixon and Son, Inc. (“Contractor”).

I. RECITALS

- 1.1 District and Contractor entered into a Contract for revenue and non-revenue tires (“Contract”) on December 15, 2000.
- 1.2 The Contract allows for the extension upon mutual written consent.
- 1.3 Contractor has requested a price increase for retreads, non-revenue tires, valve stems and labor.

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 December 14, 2004. This Contract may be mutually extended by agreement of both parties.

III. COMPENSATION

- 3.1 Article 5.01 is amended to include the following language:

Effective December 15, 2003, prices for retreads, non-revenue tires, valve stems and labor shall be increased at a percentage rate equal to the annual percentage change in the Consumer Price Index for the San Francisco – Oakland – San Jose Area (1.93 %).

IV. REMAINING TERMS AND CONDITIONS

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

V. AUTHORITY

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

SIGNATURES ON NEXT PAGE

Signed on _____

DISTRICT
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR
DIXON AND SON, INC.

By _____
Dave H. Dixon
Owner

Approved as to Form:

Margaret R. Gallagher
District Counsel

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: November 21, 2003
TO: Board of Directors
FROM: Tom Stickel, Manager of Fleet Maintenance
SUBJECT: **CONSIDERATION OF AWARD OF CONTRACT FOR EMPLOYEE DENTAL INSURANCE COVERAGE**

I. RECOMMENDED ACTION

District staff recommends that the Board authorize the General Manager to execute a contract for employee dental insurance coverage with PacifiCare Dental & Vision Administrators.

II. SUMMARY OF ISSUES

- The current policy for dental insurance coverage expires on December 31, 2003.
- A request for proposals (RFP) was processed to solicit proposals from qualified dental insurance providers.
- Five firms submitted proposals by the deadline of October 1, 2003.
- An evaluation committee comprising of the Human Resources Manager, the Finance Manager, the Paratransit Administrator, and representatives from UTU and SEIU evaluated all proposals received. The evaluation committee gave the highest ranking to PacifiCare Dental & Vision Administrators.
- District staff recommends that the Board authorize the General Manager to execute a two-year contract with PacifiCare Dental & Vision Administrators for employee dental insurance coverage.

III. DISCUSSION

The District provides dental insurance coverage for its employees. The current contract with Delta Dental Plan of California will expire on December 31, 2003. District RFP No. 03-01 was processed and mailed to dental insurance providers and was legally advertised.

Five firms submitted proposals for evaluation. An evaluation committee comprising of the Human Resources Manager, the Finance Manager, the Paratransit Administrator, and representatives from UTU and SEIU reviewed and scored all proposals according to the evaluation criteria provided for in the RFP and gave the highest rating to PacifiCare Dental & Vision Administrators.

The three-tier monthly rates are as follows: Employee only -\$54.36; Employee plus one dependent - \$97.19; Employee plus two or more dependents - \$167.49. Contract pricing is guaranteed for a two-year period.

The recommendation is based on ranking provided by the evaluation committee according to criteria contained in the Request for Proposals:

Criteria	Priority
Qualifications and Experience of Firm including resources, references and geographical service area	20%
Provide requested coverages/benefits in response to the RFP	30%
Cost/Price Proposal	50%

District staff recommends that the Board authorize the General Manager to execute a two-year contract with PacifiCare Dental & Vision Administrators for employee dental insurance coverage. The two-year costs for this contract are estimated at \$900,000.

IV. FINANCIAL CONSIDERATIONS

The contract cost will exceed the budgeted amount by approximately \$10,000. This will be addressed in the budget revision to be presented to the Board in December.

V. ATTACHMENTS

Attachment A: Summary of Proposals Received

Attachment B: Contract with PacifiCare Dental & Vision Administrators

District RFP No. 03-01 Employee Dental Insurance Program

Rankings Of Proposals Received

1. PacifiCare Dental & Vision Administrators, Santa Ana, California
2. Delta Dental Plan of California, San Francisco, California
3. Driver Alliant Insurance Services (United Concordia, Inc.) San Rafael, California

Two other proposals received were rejected as not meeting RFP specifications and requirements:

Standard Insurance Company, Walnut Creek, California
Dental Plans.Com, Des Plaines, Illinois

CONTRACT FOR EMPLOYEE DENTAL INSURANCE COVERAGE (03-01)

THIS CONTRACT is made effective on January 1, 2004 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("District"), and PACIFICARE DENTAL & VISION ADMINISTRATORS ("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 Employee Dental Insurance Coverage

District has the need for Employee Dental Insurance Services. In order to obtain these services, the District issued a Request for Proposals, dated August 29, 2003, 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 Employee Dental Insurance Coverage and whose principal place of business is 3110 Lake Center Drive, Santa Ana, California. Pursuant to the Request for Proposals by the District, Contractor submitted a proposal for Employee Dental Insurance Coverage, which is attached hereto and incorporated herein by reference as Exhibit "B."

1.04 Selection of Contractor and Intent of Contract

On November 21, 2004, District selected Contractor as the offeror whose proposal was most advantageous to the District, to provide the Employee Dental Insurance Services described herein. This Contract is intended to fix the provisions of these services.

District and Contractor agree as follows:

2. INCORPORATED DOCUMENTS AND APPLICABLE LAW

2.01 Documents Incorporated in this Contract

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

A. Exhibit "A"

Santa Cruz Metropolitan Transit District's "Request for Proposals" dated August 29, 2003 including Addendum numbers 1, 2, and 3.

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

Contractor's Proposal to the District for Employee Dental Insurance Coverage signed by Contractor and dated October 1, 2003.

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 August 29, 2003.

3.01.03 CONTRACTOR'S STAFF - Employees of Contractor.

3.01.04 DAYS - Calendar days.

3.01.05 OFFEROR - Contractor whose proposal was accepted under the terms and conditions of the Request for Proposals issued August 29, 2003.

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 forty-five (45) days of District written approval of Contractor's written invoice for said work.

5.02 Invoices

Contractor shall submit invoices with a project number provided by the District on a monthly basis. Contractor's invoices shall include detailed records showing actual time devoted, work accomplished, date work accomplished, personnel used, and amount billed per hour. Expenses shall only be billed if allowed under the Contract. Telephone

call expenses shall show the nature of the call and identify location and individual called. Said invoice records shall be kept up-to-date at all times and shall be available for inspection by the District (or any grantor of the District, including, without limitation, any State or Federal agency providing project funding or reimbursement) at any time for any reason upon demand for not less than four (4) years after the date of expiration or termination of the Contract. Under penalty of law, Contractor represents that all amounts billed to the District are (1) actually incurred; (2) reasonable in amount; (3) related to this Contract; and (4) necessary for performance of the project.

6. NOTICES

All notices under this Contract shall be deemed duly given upon delivery, if delivered by hand; or three (3) days after posting, if sent by registered mail, receipt requested; to a party hereto at the address 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

PacifiCare Dental and Vision Administrators
3110 Lake Center Drive
Santa Ana, CA 92704
Attention: LaMonte Howard, Sr. Business Manager

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
PACIFICARE DENTAL & VISION ADMINISTRATORS

By _____
John Whalley
Vice President of Sales & Marketing

Approved as to Form:

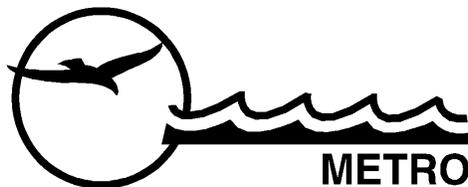
Margaret Rose Gallagher
District Counsel

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

03-01

Request for Proposals For Employee Dental Insurance Coverage

Date Issued: August 29, 2003
Proposal Deadline: 5:00 P.M., October 1, 2003



Contents of this RFP

- I. Instructions to Offerors
- II. General Information Form
- III. Specifications
- IV. General Conditions
- V. Contract/Agreement
- VI. FTA Requirements for Non-Construction Contracts
- VII. Protest Procedures
Attachment A

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, 120 Dubois Street, 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 District Act and general law: (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***

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.

ACCEPTANCE OF RFP TERMS AND CONDITIONS.

I hereby accept all terms and conditions of this RFP including all addendum processed prior to the proposal due date:

Signature of Authorized Principal

**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 CERTIFICATON _____
 SOURCE ** _____

This information must be submitted during the initial negotiations with the District. By submitting a proposal, offeror certifies that he/she is in compliance with the District's policy. Failure to submit the required DBE information by the time specified will be grounds for finding the proposal non-responsive.

CONTRACT ITEM NO.	ITEM OF WORK AND DESCRIPTION OF WORK OR SERVICES TO BE SUBCONTRACTED OR MATERIALS TO BE PROVIDED *	CERTIFICATION FILE NUMBER	NAME OF DBE	DOLLAR AMOUNT DBE ***	PERCENT DBE
----------------------	--	------------------------------	-------------	-----------------------------	----------------

TOTAL CLAIMED DBE
 PARTICIPATION \$ _____ %

 SIGNATURE OF CONTRACTOR

 DATE

 AREA CODE/TELEPHONE

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

- * If 100% of item is not to be performed or furnished by DBE, describe exact portion, including plan location of work to be performed, of item to be performed or furnished by DBE.
- ** DBE's must be certified on the date proposals are opened.
- *** Credit for a DBE supplier who is not a manufacturer is limited to 60% of the amount paid to the supplier.

NOTE: Disadvantaged business must renew their certification annually by submitting certification questionnaires in advance of expiration of current certification. Those not on a current list cannot be considered as certified.

CONTRACTOR DBE INFORMATION

CONTRACT ITEM NO.	ITEM OF WORK AND DESCRIPTION OF WORK OR SERVICES TO BE SUBCONTRACTED OR MATERIALS TO BE PROVIDED *	CERTIFICATION FILE NUMBER	NAME OF DBE	DOLLAR AMOUNT DBE ***	PERCENT DBE
----------------------	--	------------------------------	-------------	-----------------------------	----------------

TOTAL CLAIMED DBE
PARTICIPATION \$ _____ _____ %

PART III

SPECIFICATIONS FOR EMPLOYEE DENTAL INSURANCE COVERAGE

A. INTRODUCTION

The Santa Cruz Metropolitan Transit District (DISTRICT) is requesting proposals for employee dental insurance coverage for approximately **292** active employees and their dependents and approximately **58** retired employees and their dependents. DISTRICT is a public entity whose primary purpose is to provide public transportation.

The DISTRICT has a payroll budget of over fourteen million dollars annually. Employees are divided into three sub-groups, each having retirees. Two of the groups are covered by collective bargaining agreements. These three groups are:

1. Management – 13 active employees (non-union) 4 retired
2. Bus Operators - 168 active employees (UTU Local 23) 36 retired
3. Administrative & Maintenance – 111 active employees (SEIU Local 415) 18 retired

B. BACKGROUND

Administrative Office Location:	370 Encinal Street, Suite 100 Santa Cruz, CA 95060
Jurisdictional Area:	County of Santa Cruz
Nature of Business:	Public Transportation
Carrier History:	Delta Dental
Current Funding Arrangement:	Fully Insured - 3 tier
Proposed Funding Arrangement:	Fully Insured - 3 tier
Commission:	No commission or commission to offset premium
Proposed Effective Date:	January 1, 2004
Proposed Term:	Firm fixed rates for a two-year contract term with three (3) one-year renewal options. Pricing on option years to be negotiated with 60-day notice of rate change.
Contributions:	Coverage is non-contributory
Eligibility:	Active employees (20 hrs/wk) and retirees under the age of 65 (2 retiree exceptions = over the age of 65) including principal domestic partner and unmarried children to age 19 unless a full-time student/dependent, then to age 23. (Contractor to be responsible for maintaining student eligibility information)

Group experience data of current program is provided as **Attachment A**.

C. BENEFIT COVERAGE LEVELS TO QUOTE

- 100 % Preventive and routine
- 85 % Basic services including oral surgery, filings, endodontics, periodontics
- 60 % Major services including crowns, major restorative & prosthodontics
- 60 % orthodontics to age 19 (\$50 deductible)
\$3,000 maximum lifetime benefit amount
- \$ 1,700 Annual maximum benefit

D. MONTHLY PREMIUM RATE HISTORY

Year	Employee Only	Plus one	Family
2003	\$46.32	\$82.81	\$142.72
2002	\$46.32	\$82.81	\$142.72
2001	\$51.35	\$100.72	\$161.18
2000	\$51.35	\$100.72	\$161.18
1999	\$44.65	\$87.58	\$140.16
1998	\$32.78	\$64.30	\$102.90
1997	\$32.78	\$64.30	\$102.90
1996	\$29.62	\$58.45	\$93.54
1995	\$27.62	\$54.17	\$86.69
1994	\$27.62	\$54.17	\$86.69
1993	\$25.22	\$49.47	\$79.17
1992	\$25.22	\$49.47	\$79.17

E. EMPLOYER PREMIUMS BY FISCAL YEAR

Fiscal Year	Annual Premiums Paid
2002-2003	\$444,556.85
2001-2002	\$411,023.43
2000-2001	\$523,466.00
1999-2000	\$428,907.00
1998-1999	\$305,443.00
1997-1998	\$231,884.00
1996-1997	\$229,988.00
1995-1996	\$204,915.00
1994-1995	\$206,413.00
1993-1994	\$215,985.00
1992-1993	\$208,487.00
1991-1992	\$211,381.00

F. ENROLLMENT HISTORY

<u>Month/Year</u>	<u>Employees</u>	<u>Emp / Retiree</u>	<u>One Dependent</u>	<u>Family</u>
July 2003	Active	76	98	115
	Retirees	21	24	12
January 2003	Active	77	92	125
	Retirees	22	24	12
July 2002	Active	80	97	133
	Retirees	13	16	6
January 2002	Active	76	102	136
	Retirees	14	15	5
July 2001	302 Active	76	90	141
	36 Retirees	16	15	5
January 2001	302 Active	71	100	134
	30 Retirees	13	14	3
July 2000	294 Active	72	95	127
	30 Retirees	12	15	3
January 2000	288 Active	70	95	123
	25 Retirees	9	13	3
July 1999	271 Active	66	95	110
	23 Retirees	9	12	2
January 1999	267 Active	67	92	108
	24 Retirees	10	12	2
July 1998	264 Active	64	90	110
	22 Retirees	11	9	2
January 1998	258 Active	62	87	109
	22 Retirees	10	10	2
July 1997	269 Active	68	92	109
	22 Retirees	10	10	2
January 1997	264 Active	63	88	113
	23 Retirees	11	10	2
July 1996	263 Active	61	89	113
	22 Retirees	10	9	3
January 1996	258 Active	69	85	104
	21 Retirees	10	9	2
July 1995	259 Active	97	67	95
	21 Retirees	10	9	2
January 1995	261 Active	99	68	94
	21 Retirees	10	9	2
July 1994	267 Active	111	72	84
	22 Retirees	8	9	3

G. CONTENT OF PROPOSAL

Proposals should be complete and concise in description and include the following items as well as any additional information that will contribute to the District’s evaluation of service:

1. Provide the geographical areas that you serve and numbers or lists of dental providers. How will you provide services to retirees that reside outside your service area?
2. Provide a current client list of at least three (3) other public agencies in California and the name and telephone number of a contact person who can be contacted as a reference.

3. Include description of fees based on usual, customary and reasonable (UCR) or other allowable schedule of benefits and/or out-of-pocket costs. How often are these fees reviewed and determined?
4. Describe your pre-authorization requirements, grievance resolution/appeal process, conversion policy (if any), coordination of benefits (if any), and COBRA requirements.
5. Provide or describe the monthly billing and enrollment process and/or administrative manual.
6. Provide allowable frequency of x-rays and major services replacements.
7. Provide list of exclusions and eligible services.
8. Provide explanation of how dental claims are processed. Is the Dentist paid or is the employee reimbursed? How many days does it take to process payment?
9. If the District were to change to a new dental insurance provider, provide an explanation of how existing claims will be processed in the first few months after the new contract start date. For example, if District employees or their dependents were having dental work completed after the new contract start date, what would be covered or paid by your plan.

H. PROPOSER'S QUALIFICATIONS

The District will investigate the qualifications of proposers and may require additional information to confirm representations made in proposals or seek other evidence of managerial, financial or technical capabilities needed for performance of the work. Such investigation shall include the right to check references not furnished by a firm in its response to this RFP. Submission of a proposal shall constitute authorization of the District to make all reasonable investigations necessary to evaluate' proposer's qualifications.

The District will award a contract to the firm which is most capable of performing the services described in this RFP, based upon the criteria as set fourth in Section I. Additionally, the selected firm must have adequate financial resources and references, which attest to the quality of the firm's past work and its ability to deliver the desired insurance coverages. As part of the determination that proposer is responsible and capable of providing this service, any proposer making a proposal to this RFP agrees to the following:

- A. Provide sixty (60) days written notice of proposed policy anniversary renewal rate changes (first two-year term of the contract shall remain firm fixed rates).
- B. No currently covered employee/retiree will lose coverage as a result of a change in insurance carriers including covered employees on approved leave of absence on a new carrier's policy effective date.
- C. Provide for a thirty-day written notice by policyholder to cancel policy.
- D. Provide for the effective enrollment date of coverage (to be the first day of the calendar month following qualified employment) and coverage ending date (to be the end of the calendar month following employment separation or other disqualifying reasons as determined by the District).

I. PROPOSAL EVALUATION PROCESS AND SCORING MODEL

The evaluation process will be performed by a Proposal Evaluation Committee (PEC). The evaluation criteria will be the sole basis for determining the acceptability of proposals. The proposal should be specific and complete in every detail. Brief telephone interviews using a standardized questionnaire format may be conducted at the discretion of the PEC of any firm(s) selected.

Evaluation Criterion	Column 1
Qualifications and Experience including geographic locations	20
Provide requested coverages/ benefits in response to RFP	30
Cost/Price Proposal	50
Total Points Possible	100

J. TYPE OF CONTRACT AWARDED

The District intends to enter into a two-year, firm fixed price contract with a Dental Insurance provider for the coverages and services specified above. At the option of the District, this contract agreement may be renewed for three (3) additional one (1) year terms upon mutual written consent. Pricing for option years will be negotiated with the firm prior to the expiration of the agreement. Pricing for option years will be negotiated to generally cover the consumer price index, loss experience and/or enhancements in service.

The District's Board of Directors may award a contract on October 24, 2003. The contract term would begin January 1, 2004.

K. PROPOSAL CONTENTS

All proposals shall be in the format prescribed below. In order to insure that each proposal is reviewed and scored properly, it is important that each proposer follow the format with care. Proposals should be as brief and concise as possible. Each proposer, in responding to this RFP, should provide a guaranteed two-year quote for three tier monthly rates for employee/retiree, employee/retiree plus one dependent, and employee/retiree plus two or more dependents.

1. Cover Letter
2. Required Proposal Documents
3. Qualifications of the Firm
4. Highlights of Insurance Program offered
5. Cost Proposal

L. PROPOSAL SUBMISSION

A complete submittal will consist of one signed original and five (5) copies of the proposal documents. All submittals must be received at the reception desk of the District's office at the address provided below no later than **5:00 p.m. on October 1, 2003**. PROPOSALS RECEIVED AFTER THAT EXACT TIME WILL NOT BE CONSIDERED. Proposal packages should be sealed and marked as follows:

"RFP NO. 03-01 FOR EMPLOYEE DENTAL INSURANCE COVERAGE"

Send proposal packages to:

**Santa Cruz Metropolitan Transit District
Purchasing Office
120 Dubois Street
Santa Cruz, CA 95060**

M. REQUESTS FOR ADDITIONAL INFORMATION AND CHANGES

The Purchasing Office will respond to written questions relating to this RFP. Questions of a substantive nature may be faxed to the attention of Lloyd Longnecker, District Buyer, at (831) 469-1958. No oral modification of this RFP shall be valid. Any modifications shall be by written RFP addendum and issued by the Purchasing Office. **Contractor's legal counsel shall review all terms and conditions of this RFP and provide written request for modifications prior to the deadline for submittal of written questions and requests for addenda. Contractor shall sign a statement on the Part II General Information Form accepting all terms and conditions of this RFP including any addendum processed prior to the proposal due date and submit this form with their proposal response.**

N. CONFIDENTIAL DATA

Proposer shall clearly mark each page of its proposal that contains trade secrets or other confidential commercial or financial information that the proposer believes should not be disclosed outside the District. No part of any proposal will be disclosed outside the District prior to contract award. All documents submitted as part of the proposal become property of the District.

O. SCHEDULE OF EVENTS

Event	Date
Request for Proposals (RFP) mailed out	August 29, 2003
Deadline for receipt of written questions and requests for addenda	September 17, 2003
District responses and/or addenda issued	September 22, 2003
Proposals due date	October 1, 2003
District Review of Proposals	October 6 th thru 9 th
Select highest rated proposer	October 9, 2003
Board Approval of Contract and notice to proceed	October 24, 2003
Effective period contract	January 1, 2004 through December 31, 2005 (2 years)

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. 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.
- (1) All insurance shall be obtained from brokers or carriers authorized to transact business in California and are satisfactory to the District.

8. RESERVED

9. NO DISCRIMINATION

In connection with the performance of services provided under this Contract, Contractor shall not on the grounds of race, color, creed, ancestry, national origin, religion, sex, sexual orientation, marital status, age, medical condition or disability discriminate or permit discrimination against any person or group of persons in any manner prohibited by Federal, State, or local laws.

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

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 receives from District. The prime contractor agrees further to 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 of the District. This 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

PROFESSIONAL SERVICES CONTRACT FOR EMPLOYEE DENTAL INSURANCE COVERAGE (03-01)

THIS CONTRACT is made effective on _____, 2003 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 Employee Dental Insurance Services

District has the need for Employee Dental Insurance Services. In order to obtain these services, the District issued a Request for Proposals, dated August 29, 2003, 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 Employee Dental Insurance Services and whose principal place of business is _____. Pursuant to the Request for Proposals by the District, Contractor submitted a proposal for _____ 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 Employee Dental Insurance Services described herein. This Contract is intended to fix the provisions of these services.

District and Contractor agree as follows:

2. INCORPORATED DOCUMENTS AND APPLICABLE LAW

2.01 Documents Incorporated in this Contract

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

A. Exhibit "A"

Santa Cruz Metropolitan Transit District's "Request for Proposals" dated August 29, 2003

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

Contractor's Proposal to the District for Employee Dental Insurance Services signed by Contractor and dated October 1, 2003.

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 August 29, 2003.

3.01.03 CONTRACTOR'S STAFF - Employees of Contractor.

3.01.04 DAYS - Calendar days.

3.01.05 OFFEROR - Contractor whose proposal was accepted under the terms and conditions of the Request for Proposals issued August 29, 2003.

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 forty-five (45) days of District written approval of Contractor's written invoice for said work.

5.02 Invoices

Contractor shall submit invoices with a project number provided by the District on a monthly basis. Contractor's invoices shall include detailed records showing actual time devoted, work accomplished, date work accomplished, personnel used, and amount billed per hour. Expenses shall only be billed if allowed under the Contract. Telephone call expenses shall show the nature of the call and identify location and individual called. Said invoice records shall be kept up-to-date at all times and shall be available for inspection by the District (or any grantor of the District, including, without limitation, any State or Federal agency providing project funding or reimbursement) at any time for any reason upon demand for not less than four (4) years after the date of expiration or termination of the Contract. Under penalty of law, Contractor represents that all amounts billed to the District are (1) actually incurred; (2) reasonable in amount; (3) related to this Contract; and (4) necessary for performance of the project.

6. NOTICES

All notices under this Contract shall be deemed duly given upon delivery, if delivered by hand; or three (3) days after posting, if sent by registered mail, receipt requested; to a party hereto at the address 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 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.

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 23 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 23 apply to this Agreement.

12.2 DBE Obligation

District and Contractor agree to insure that Disadvantaged Business Enterprises as defined in 49 CFR Part 23 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 23 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 subagreements.

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 PROCEDURE

PROCUREMENT PROTESTS

All protests shall be filed, handled and resolved in a manner consistent with the requirements of Federal Transit Administration (FTA) Circular 4220.1D Third Party Contracting Guidelines dated April 15, 1996 and the Santa Cruz Metropolitan Transit District's (SCMTD) Protest Procedures which are on file and available upon request.

Current FTA Policy states that: "Reviews of protests by FTA will be limited to a grantee's failure to have or follow its protest procedures, or its failure to review a complaint or protest. 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 knew or should have known of the violation. Violations of Federal law or regulation will be handled by the complaint process stated within that law or regulation. Violations of State or local law or regulations will be under the jurisdiction of State or local officials." (FTA Circular 4220.1D, Section 7, paragraph 1., Written Protest Procedures)

Protests relating to the content of this proposal package (RFP) 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 SCMTD.

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 SCMTD 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 SCMTD's final administrative remedy.

In the event the protestor is not satisfied with the SCMTD'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 SCMTD issues a final decision.

Should the SCMTD 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 SCMTD 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 SCMTD 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 Proposer is responsible for adhering to the SCMTD's protest procedures.

An Offeror may seek FTA review of the SCMTD's decision. A protest appeal to the FTA must be filed in accordance with the provisions of FTA circular 4220.1D. Any appeal to the FTA shall be made not later than five (5) working days after a final decision is rendered under the SCMTD's protest procedure. Protest appeals should be filed with:

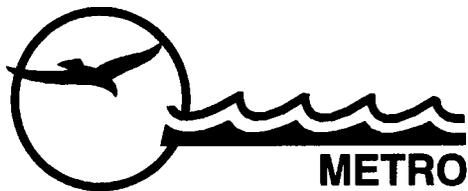
Federal Transit Administration
Regional Administrator Region IX
211 Main Street, Suite 1160
San Francisco, CA 94105

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

03-01

**Request for Proposals
For Employee Dental Insurance Coverage**

**Date Issued: August 29, 2003
Proposal Deadline: 5:00 P.M., October 1, 2003**



Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
INCOME-EXPENSE EXPERIENCE REPORT

January 1, 2002 - July 31, 2003

19 months of first contract
DELTA GROUP #2182

Usual, Customary & Reasonable Fee Basis

Co-payment - Diagnostic & Preventive: 100%

Other Basic: 85/15

Prosthodontics: 60/40

Crowns & Cast Restorations: 60/40

Orthodontics: 60/40

\$1,700 maximum per patient per calendar year

\$3,000 lifetime maximum per patient for Orthodontics

Orthodontic coverage for dependent children only

NON-RETENTION AGREEMENT

PREMIUM	\$	650,720.65	100.00%
EXPENSES			
Claims Paid		532,512.88	81.83
Beginning Reserve		0.00	
Ending Reserve		42,000.00	
Administration		91,100.90	14.00
TOTAL EXPENSES	\$	665,613.78	102.29%
STABILIZATION	\$	-14,893.13	-2.29%

 Underwriting and Actuarial
 August 5, 2003

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
INCOME-EXPENSE EXPERIENCE REPORT
DELTA GROUP #2182**

	Premium \$	# Primary Enrollees	Claims Paid	
			#	\$
2002				
January	34,171.92	353	0	0.00
February	34,360.96	364	0	0.00
March	35,998.13	364	283	48,633.06
April	33,679.57	365	154	31,452.35
May	34,717.41	366	171	32,742.59
June	33,942.22	366	164	32,236.86
July	34,867.13	365	125	23,286.46
August	34,729.21	363	160	32,339.50
September	35,319.75	361	158	30,087.08
October	34,559.83	357	195	39,542.31
November	34,974.05	360	146	25,552.35
December	34,205.17	360	163	24,848.63
2003				
January	34,195.86	358	151	27,894.85
February	33,956.22	358	154	30,226.67
March	34,199.44	357	179	36,141.88
April	33,607.11	353	143	21,452.52
May	33,702.99	354	169	35,661.92
June	32,706.67	353	166	32,548.00
July	32,827.01	352	164	27,865.85
Total:	\$650,720.65	6,829	2,845	\$532,512.88



Delta Dental Plan of California

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

INCOME-EXPENSE EXPERIENCE REPORT

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Underwriting and Actuarial
August 5, 2003

A-3

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
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INCOME-EXPENSE EXPERIENCE REPORT

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 Underwriting and Actuarial
 August 5, 2003

A-5

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
INCOME-EXPENSE EXPERIENCE REPORT
DELTA GROUP #2182

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

ADDENDUM NO. 1

REQUEST FOR PROPOSALS (RFP) NO. 03-01

FOR EMPLOYEE DENTAL INSURANCE COVERAGE

September 3, 2003

Receipt of this Addendum No. 1 shall be acknowledged in your proposal response. Any adjustment resulting from this addendum shall be included in the RFP. Where in conflict, the terms and conditions of this addendum supersede those in the Request for Proposal.

Attached to this Addendum No. 1 are two informational reports provided by the current contractor:

Attachment A – A census summary report of all active employees, retirees, and enrolled members of COBRA.

Attachment B – A detailed census report of current employees, retirees, and their dependents by specific ages.

Proposal response date remains October 1, 2003, 5:00 p.m. PST.

Lloyd Longnecker
District Buyer

Attachments

Attachment - A

Delta Dental Plan of California
Group 2182 Santa Cruz Metropolitan Transit District
Eligibility Statistics

Actives	Male	Female	Average Age
Employee	209	80	48
Spouse	42	145	46
Child (to age 19)	100	116	12
Student	18	19	21
Domestic Partner	3	4	44
Totals	372	364	

Retirees	Male	Female	Average Age
Employee	43	15	58
Spouse	9	24	56
Child (to age 19)	8	12	14
Student	4	3	22
Domestic Partner	3	0	60
Totals	67	54	

COBRA	Male	Female	Average Age
Employee	2	2	43
Spouse	0	0	0
Child (to age 19)	0	0	0
Student	0	1	22
Domestic Partner	0	0	0
Totals	2	3	

Attachment - B

Delta Dental Plan of California
Group 2182 Santa Cruz Metropolitan Transit District
Eligibility Statistics

Employee	Age	Actives			Retirees			COBRA			Totals		
		Male	Female	Totals	Male	Female	Totals	Male	Female	Totals	Male	Female	Totals
	23	1	1	2				1	0	1	2	1	3
	24	1	1	2							1	1	2
	26	1	0	1							1		1
	27	1	0	1							1		1
	28	2	0	2							2		2
	29	2	1	3							2	1	3
	30	1	0	1							1		1
	31	1	1	2							1	1	2
	32	2	0	2							2		2
	33	0	1	1								1	1
	34	3	0	3							3		3
	35	4	3	7							4	3	7
	36	2	2	4							2	2	4
	37	2	2	4							2	2	4
	38	5	2	7							5	2	7
	39	4	0	4							4		4
	40	1	6	7							1	6	7
	41	8	2	10							8	2	10
	42	7	2	9							7	2	9
	43	15	3	18							15	3	18
	44	6	2	8							6	2	8
	45	6	1	7							6	1	7
	46	10	2	12							10	2	12
	47	9	2	11							9	2	11
	48	11	1	12							11	1	12
	49	8	8	16	1	0	1	1	0	1	10	8	18
	50	11	3	14	1	1	2	0	1	1	12	5	17
	51	9	4	13	1	0	1	0	1	1	10	5	15
	52	13	3	16	3	0	3				16	3	19
	53	9	3	12	3	0	3				12	3	15
	54	12	5	17	5	1	6				17	6	23
	55	10	4	14	2	3	5				12	7	19
	56	10	4	14	6	3	9				16	7	23
	57	5	4	9	4	2	6				9	6	15
	58	6	1	7	2	0	2				8	1	9

Delta Dental Plan of California
Group 2182 Santa Cruz Metropolitan Transit District
Eligibility Statistics

	Age	Actives			Retirees			COBRA			Totals		
		Male	Female	Totals	Male	Female	Totals	Male	Female	Totals	Male	Female	Totals
	59	2	0	2	1	0	1				3		3
	60	4	1	5	3	2	5				7	3	10
	61	1	1	2	1	0	1				2	1	3
	62	1	0	1	3	3	6				4	3	7
	63	1	2	3	2	0	2				3	2	5
	64	0	1	1	3	0	3				3	1	4
	65	1	0	1							1		1
	69	1	1	2							1	1	2
	80				1	0	1				1		1
	83				1	0	1				1		1
Spouse	23	0	1	1								1	1
	26	0	4	4								4	4
	27	1	1	2							1	1	2
	28	0	1	1								1	1
	29	0	1	1								1	1
	30	0	1	1								1	1
	31	0	2	2								2	2
	32	0	4	4								4	4
	33	0	2	2								2	2
	34	1	3	4							1	3	4
	35	2	1	3							2	1	3
	36	3	3	6							3	3	6
	37	1	4	5							1	4	5
	38	0	4	4								4	4
	39	2	7	9							2	7	9
	40	1	4	5							1	4	5
	41	1	4	5							1	4	5
	42	1	5	6							1	5	6
	43	0	9	9								9	9
	44	3	3	6							3	3	6
	45	1	6	7	0	1	1				1	7	8
	46	2	9	11	1	1	2				3	10	13
	47	1	3	4	1	1	2				2	4	6
	48	2	6	8			0				2	6	8
	49	2	6	8	0	1	1				2	7	9

Delta Dental Plan of California
Group 2182 Santa Cruz Metropolitan Transit District
Eligibility Statistics

	Age	Actives			Retirees			COBRA			Totals		
		Male	Female	Totals	Male	Female	Totals	Male	Female	Totals	Male	Female	Totals
	50	4	5	9	0	1	1				4	6	10
	51	1	6	7	1	0	1				2	6	8
	52	1	7	8	0	4	4				1	11	12
	53	3	5	8	0	1	1				3	6	9
	54	0	4	4	1	1	2				1	5	6
	55	0	5	5	0	2	2					7	7
	56	0	6	6	1	3	4				1	9	10
	57	1	1	2	0	1	1				1	2	3
	58	1	3	4							1	3	4
	59	2	2	4	1	1	2				3	3	6
	60	2	3	5	1	1	2				3	4	7
	61	1	1	2	1	2	3				2	3	5
	62	0	1	1								1	1
	63	1	1	2							1	1	2
	64	1	0	1							1		1
	65				0	1	1					1	1
	66				0	1	1					1	1
	67				1	0	1				1		1
	69	0	1	1								1	1
	74				0	1	1					1	1
Child	2	9	5	14							9	5	14
	3	1	4	5							1	4	5
	4	3	4	7							3	4	7
	5	2	1	3							2	1	3
	6	2	2	4	0	1	1				2	3	5
	7	3	6	9							3	6	9
	8	5	1	6	0	1	1				5	2	7
	9	4	10	14	1	0	1				5	10	15
	10	2	7	9	1	1	2				3	8	11
	11	4	7	11							4	7	11
	12	4	7	11	0	1	1				4	8	12
	13	6	11	17	2	0	2				8	11	19
	14	10	8	18	1	1	2				11	9	20
	15	11	7	18	0	1	1				11	8	19
	16	7	12	19	0	3	3				7	15	22

Delta Dental Plan of California
Group 2182 Santa Cruz Metropolitan Transit District
Eligibility Statistics

	Age	Actives			Retirees			COBRA			Totals		
		Male	Female	Totals	Male	Female	Totals	Male	Female	Totals	Male	Female	Totals
	17	6	8	14	2	2	4				8	10	18
	18	12	9	21	1	1	2				13	10	23
	19	9	7	16							9	7	16
Student	20	9	7	16	0	2	2				9	9	18
	21	4	5	9	1	0	1				5	5	10
	22	1	3	4	2	0	2	1		1	3	4	7
	23	3	2	5	1	0	1				4	2	6
	24	0	1	1	0	1	1					2	2
	25	0	1	1								1	1
	26	1	0	1							1		1
Domestic Partner	38	0	1	1								1	1
	39	1	0	1							1		1
	41	0	1	1								1	1
	44	1	0	1							1		1
	46	0	1	1								1	1
	48	1	0	1							1		1
	54	0	1	1								1	1
	51				1	0	1				1		1
	61				1	0	1				1		1
	67				1	0	1				1		1
Totals		372	364	736	67	54	121	2	3	5	441	421	862

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

ADDENDUM NO. 2

REQUEST FOR PROPOSALS (RFP) NO. 03-01

FOR EMPLOYEE DENTAL INSURANCE COVERAGE

September 11, 2003

Receipt of this Addendum No. 2 shall be acknowledged in your proposal response. Any adjustment resulting from this addendum shall be included in the RFP. Where in conflict, the terms and conditions of this addendum supersede those in the Request for Proposal.

1. A request was made for a copy of the wording from the District's employee handbook regarding dental insurance benefits. Attached to this addendum is a copy of the requested page.
2. A request was made for information regarding the District's contribution amounts for employee and dependent dental coverage. The District pays the full cost of the premium (as stipulated in the contract). Currently the District pays:
\$ 46.32 Single
\$ 82.81 Employee plus one dependent
\$ 142.72 Employee plus two or more dependents
3. Proposal response date remains October 1, 2003, 5:00 p.m. PST.

Lloyd Longnecker
District Buyer

Attachments

*

12.7 Dental Insurance Coverage

Employee dental insurance shall continue unchanged from June 30, 2001, until December 31, 2001, after which time the following plan will be effective:

An employee and eligible dependents shall be entitled to dental insurance coverage with monthly premiums paid by the District.

The plan will provide for the following coverages: 100% preventive services, 85% basic services, and 60% major services to a yearly maximum benefit amount of \$1,700. For a dependent under the age of 19, 60% orthodontics to a \$3,000 lifetime maximum after a \$50 deductible.

12.8 Vision insurance Coverage

The District shall provide vision insurance coverage for an employee and eligible dependent(s) to include an annual examination and prescribed lenses and frames with a \$5.00 deductible and in a year lenses and frames are not obtained the purchase of contact lenses (not to exceed \$350 after a \$50 deductible) may be obtained.

12.9 Life Insurance Coverage

The District shall pay the premium for a \$25,000 term life insurance plan for an employee. An employee may purchase supplemental life insurance **coverage as permitted** to a maximum of \$150,000. The plan coverages will be reduced by 50% upon attaining age 70 according to the existing life insurance policy.

12.10 Accidental Death and Dismemberment Insurance

The District shall pay the premium for a \$50,000 accidental death and dismemberment insurance plan for an employee. An employee may purchase supplemental insurance coverage to a maximum of \$150,000. The plan coverages will be reduced by 50% upon attaining age 70.



MEMORANDUM.
OF
UNDERSTANDING

Between

SANTA CRUZ METROPOLITAN
TRANSIT DISTRICT

And

SERVICE EMPLOYEES
INTERNATIONAL UNION
LOCAL 415

7/1/01-6/30/04

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

ADDENDUM NO. 3

REQUEST FOR PROPOSALS (RFP) NO. 03-01

FOR EMPLOYEE DENTAL INSURANCE COVERAGE

September 24, 2003

Receipt of this Addendum No. 3 shall be acknowledged in your proposal response. Any adjustment resulting from this addendum shall be included in the RFP. Where in conflict, the terms and conditions of this addendum supersede those in the Request for Proposal.

1. Attached to this addendum number three, you will find a summary of questions, comments, and requests for modifications received in regards to this RFP and the District's response.
2. Proposal response date remains October 1, 2003, 5:00 p.m. PST.

Lloyd Longnecker
District Buyer

Attachments

1. Question: Would the District consider working with a broker on its dental program?
District's Response: The District would consider working with a Broker if the TOTAL cost to the District is competitive with companies applying independently.
2. In the event the District is willing to consider working with a broker, would the District be willing to appoint the broker for its dental coverage?
District's Response: See #1
3. In the event the District would work with a broker, would it consider including commissions to offset broker/consultant fees?
District's Response: See #1
4. Is an electronic census available identifying the employees' zip codes?
District's Response: See attached Exhibit No. 1
5. What is the current percentile for claims paid outside of the Network?
District's Response: This data has been requested but is not available at this time.
6. What are the Vision Summary of Benefits, and the current and past rates?
District's Response: Not Applicable to this RFP
7. What are the Dental/Vision renewal rates for 1-1-04?
District's Response: Not Applicable to this RFP
8. Do the current Dental plans have to be mirrored?
District's Response: Yes, the Dental plan must meet the minimum standards as specified in the Memorandum of Understanding and Labor Agreement for both unions.
9. Do the retired employees have a separate rate for the Dental and Vision rates?
District's Response: No
10. Do you have information regarding your current procedure placements, or how you desire them? For example, are all x-rays covered as a preventive procedure? Are periodontics a Basic or Major expense? Are endodontics a Basic or Major expense?
District's Response:
 - Basic coverage:*
 - Oral Surgery*
 - Restorative-amalgam, silicate or composite, restorations*
 - Endodontic*
 - Periodontic*
 - Sealants*
 - Adjunctive General Services*
 - Diagnostic and preventative:*
 - Oral examinations*
 - x-rays*

*diagnostic casts
examinations of biopsied tissue
cleanings
topical fluoride solution treatments
space maintainers*

*Crowns, jackets, inlays, onlays and cast restoration benefits:
Treatment of teeth required because amalgam, silicate or composite fillings
cannot be done*

11. Is the employer contributing 100% for the retirees?
District's Response: Yes
12. If future retirees will be eligible, what is the district's definition of a retiree?
District's Response: 10 years of service with the District and over 50.
13. How long has the group been with the current carrier?
District's Response: 2 years
14. Is the total enrolled census available via an excel file?
District's Response: This data has been requested but is not available at this time.
15. Request a report for the dependent status per employee. Each employee should be claiming either: Employee Only, Employee + Spouse Only, Employee + Child or Children Only or Employee + Family. Need to know what dependent status category each individual employee falls into in order to provide an accurate price proposal.
District's Response: This data has been requested but is not available at this time.
16. Who will be the owner of the policy?
District's Response: The Santa Cruz Metropolitan Transit District.

DISTRICT RFP NO. 03-01 EMPLOYEE DENTAL INSURANCE COVERAGE

EXHIBIT NO. 1

RFP NO. 03-01 EMPLOYEE ZIP CODE CENSUS

ZIP CODE	# OF EMPLOYEES	ZIP CODE	# OF RETIRED EMPLOYEES
93446	1	33138	1
93906	7	48009	1
93907	7	65804	1
93933	3	92240	1
93950	1	93309	1
95003	16	93527	1
95005	9	93614	1
95006	4	93620	1
95007	1	93720	1
95010	15	93907	1
95017	1	95003	3
95018	5	95004	1
95019	9	95005	1
95020	2	95006	1
95023	1	95010	5
95033	1	95060	7
95039	1	95062	5
95060	48	95063	2
95061	1	95066	2
95062	49	95073	9
95063	5	95076	5
95065	5	95472	1
95066	10	96002	1
95073	20	96744	1
95076	61	96816	1
95077	3	97544	1
95123	1	97603	1
95209	1	98226	1
95311	1		
95632	1		

Lloyd Longnecker
District Buyer
Santa Cruz Metropolitan Transit District
120 Du Bois Street
Santa Cruz, CA 95060

RE: Santa Cruz Metropolitan Transit District

Dear Lloyd,

PacifiCare Dental is pleased to present the enclosed Dental & Vision benefit plans for Santa Cruz Metropolitan Transit District. For 30 years PacifiCare Dental & Vision has offered benefit programs that meet the demands of employees for affordable, comprehensive benefits supported by unmatched customer service and provider network quality. Our members want and get much more with PacifiCare Dental & Vision.

PacifiCare Dental & Vision is committed to delivering outstanding service. We have quoted our PPO Dental plans and our Vision plans covering Santa Cruz Metropolitan Transit District employees.

Our PPO Dental is also one of the largest PPO Networks in California with over 10,000 providers and our Vision plan has the largest Vision Network in California, totaling over 5,200 providers.

We look forward to partnering with you and your organization to provide high quality Dental & Vision plans to Santa Cruz Metropolitan Transit District employees.

Please feel free to call me at 626-744-0106.

Sincerely,

LaMonte Howard
Senior Business Manager
PacifiCare Dental & Vision

PacifiCare Dental & Vision's Company Background

Among the Nation's First Managed Dental Health Plans

In 1972, the nation's traditional system for providing dental care was about to undergo a revolutionary change. This was the year one of the nation's first managed dental health plans was introduced in California. Called California Dental Health Plan, the company quickly became a leading provider of a new kind of dental care - **capitated**, or prepaid dental plans. These plans paid providers on a per member, per month (PMPM) basis, instead of the traditional fee-for-service (FFS) method, and promised to provide lower costs to individuals and employers, better service and easier administration.

Acquired by PacifiCare Health Systems

Over the next two decades the company grew. In 1993, it was acquired by one of the nation's leading managed health care services companies, **PacifiCare Health Systems, Inc.**, (PHS) (Nasdaq: PHSY). By 1989, the company was serving more than 200,000 plan members and had become a leading provider of dental health maintenance organization (DHMO) services. The company expanded by including an area many larger competitors tend to ignore - small groups, or employers with 3 to 50 employees.

Dental and Vision One-Stop Shopping

In 1989, the company also developed a full range of vision products to offer in tandem with dental coverage, or on a stand-alone basis. The addition of vision coverage opened many new markets to the company and provided the company with an important competitive advantage: the ability to allow customers one-stop shopping for key ancillary benefits.

A New Name and Growth

In 1996, the company changed its name to **PacifiCare Dental/PacifiCare Dental & Vision Administrators (PDVA)** to better reflect the scope and services offered and to strengthen its identity with its parent company. In 1997, PHS acquired FHP, which had an existing dental product.

In addition to its dental managed care products, PDVA offers PPO dental, PPO vision, and indemnity (traditional fee-for-service) dental products. These PPO and indemnity products are administered by **PacifiCare Dental and Vision Administrators (PDVA)** and are underwritten by **PacifiCare Life and Health Insurance Company**.

In 2002 **PacifiCare** introduced its Dental and Vision products into seven new states: Arizona, Colorado, Nevada, Oklahoma, Oregon, Texas, and Washington. With a full range of product offerings from PPOs, Indemnity, Voluntary (and HMO plans in Arizona and Colorado), the expansion broadens the **PacifiCare** reach. Those plans are underwritten by **PacifiCare Life Assurance Company**.

PacifiCare[®]
Dental & Vision Administrators

Santa Cruz Metropolitan Transit District

Effective Date: January 1, 2004

DENTAL PPO UCR STAND-ALONE PLANS (purchased without PacifiCare Dental HMO)
AD/Child \$50 Ded 50% 3000 Life Time Max included in rates.

	Wait	CYM	Cost Mgmt	In-network	Out-of network	Deductible	Percentile	<i>Employee Only & Spouse</i>	<i>Employee & Child</i>	<i>Employee Family</i>
Custom	No Wait	1700	Non-CM	100/85/60	100/85/60	010	80th	\$54.36	\$97.19	\$167.49

Additional dental and vision plan options are available; please contact your PacifiCare representative for information on plan and rate options.

PacifiCare Dental & Vision's Underwriting and Proposal Qualifications

This non-binding proposal and the proposed premium rates quoted are based on the census data, dental risk information and other information provided to PacifiCare Dental & Vision in the Employer's request for proposal. If the following underwriting and proposal qualifications cannot be satisfied or verified, or should additional information become available, PacifiCare Dental & Vision reserves the right to rescind this proposal and/or recalculate the proposed premium rates.

- Rates are available to groups currently not covered by PacifiCare Dental & Vision.
- Additional PPO Dental, Traditional Indemnity Dental and DHMO plans are available. Contact your PacifiCare Sales representative for more information.
- All rates include 0% flat commission.
- All COBRA, state continuation of coverage, disabled, leave of absence and other individuals on continuation of coverage have been disclosed.
- Any offer of group coverage is contingent upon satisfaction of PacifiCare Dental & Vision's underwriting requirements in effect at the time of sale and through the open enrollment period.
- PacifiCare Dental & Vision requires the employer to contribute a minimum of 75% of the active employee cost of coverage or 50% of the combined active employee/dependent premium.
- PacifiCare Dental & Vision requires that at least 75% of all eligible employees enroll for coverage, if the plan is written on a contributory basis (100% if non-contributory). Those employees who waive due to having other group coverage in force will not be counted toward this requirement. Minimum enrollment requirement is 2 subscribers for all dental and vision plans.
- PacifiCare Dental & Vision reserves the right to deny any request for group coverage based on information disclosed on the Group Application executed by the employer, other information furnished with the Group Application or other information discovered during the course of underwriting.
- Claims incurred prior to the effective date will be administered by the in-force carrier (i.e. the carrier in force at the time the claim was incurred), and will not be the responsibility of PacifiCare Dental & Vision.
- PacifiCare Dental & Vision may be notified at various times during the year of regulatory and legislative changes affecting dental care and administrative costs. And, it may take some time to analyze the text of the legislation and determine the expected cost associated with the change(s). PacifiCare may modify the benefits or premiums in connection with federal or state benefit mandates that may be enacted during the course of the employer's agreement/policy. We will provide notification of the effective date of the change and amount of such premium rate change.
- If Dental PPO or Dental Indemnity is purchased, this proposal assumes that PacifiCare is the exclusive dental carrier.
- Rates are valid for the effective date shown and include a 24-month rate guarantee period.
- An employee-employer relationship must exist for those employees requesting coverage. Employees must also be employed on a full time basis. Full time eligibility is defined as 30 hours per week. PacifiCare reserves the right to request a Quarterly Wage and Contribution report to substantiate this. Consultants, temporary labor, suppliers, and contractors are not eligible participants.
- This is a non-binding proposal for coverage. Final rates will be determined based on the benefits selected, actual enrollment and other information disclosed on the Group Application executed by the employer. If the demographics used in the preparation of this proposal vary by more than 10% of those actually enrolling, PacifiCare Dental & Vision reserves the right to re-rate the plan before coverage becomes effective. Should PacifiCare Dental & Vision re-rate the plan, the employer will have the opportunity to decline coverage from PacifiCare Dental & Vision.
- Coverage for retirees of the employer is not included.
- PacifiCare Dental & Vision standard schedule of benefits, ID cards, disclosure materials and administrative processes will be used.
- PacifiCare Dental PPO is underwritten by PacifiCare Life & Health Insurance Co, Inc.

This proposal is for illustrative purposes only. It is not an application for coverage or an offer of coverage. Dental benefits currently in force should not be discontinued in anticipation of an application for coverage being submitted to and approved by PacifiCare.

The benefits described in this proposal are subject to change and are not guaranteed to match benefits that may actually be approved.

Santa Cruz Metropolitan Transit District – Questionnaire

G. CONTENT OF PROPOSAL

Proposals should be complete and concise in description and include the following items as well as any additional information that will contribute to the District’s evaluation of service.

1. Provide the geographical areas that you serve and numbers or lists of dental providers. How will you provide services to retirees that reside outside your service area? Please see attached **GeoAccess** Reports and Provider Directories. Retirees are included in the same benefits as the rest of the group however they will not have access to the provider network. They must utilize the **out-of-network** benefits.
2. Provide a current client list of at least three other public agencies in California and the name and telephone number of a contact person who can be contacted as a reference.

Current PacifiCare Dental & Vision Client	Contact & Phone Number
Long Beach Transit	Alesia Cookson, 562-599-8515
City of El Cajon	Judy Bockstahler, 619-441-1725
County of San Diego	Terry Aronoff 619-531-5187

3. Include description of fees based on usual, customary and reasonable (UCR) or other allowable schedule of benefits and/or out-of-pocket costs. How often are these fees reviewed and determined?
This information is considered proprietary for our PPO plans and we do not release this information.
4. Describe your pre-authorization requirements, grievance resolution/appeal process, conversion policy (if any), coordination of benefits (if any), and COBRA requirements. Pre-Authorization Requirements: Request a pre-determination of benefits from dentist; He/She will submit proposed treatment plan to **PacifiCare** Dental & Vision Administrators, and we will send an explanation of benefits that shows what will be covered and how much the out-of pocket cost will be. Employee will then be able to discuss treatment and payment as a well informed patient.

Grievance Resolution/Appeal Process: The employee should mail a completed grievance form to:

Member Appeals **LC05-293**
PacifiCare Dental & Vision Administrators
 PO Box 25187
 Santa **Ana**, CA 92704

Our Appeals Department will review the complaint. The member will receive a written response from our Appeals Department within 30 days.

If appropriate, the appeal will be reviewed by the Clinical Reviewers and/or Peer Review. A written response to the appeal will be provided within 30 days **from** the date the appeal was received.

Further appeal can be made by the member. A copy of the entire appeals process can be obtained by calling our Member Service department at **800-22-TEETH** (800-228-3384).

Santa Cruz Metropolitan Transit District – Questionnaire

5. Provide or describe the monthly billing and enrollment process and/or administrative manual.
Please see Administration Manual attached.
6. Provide allowable frequency of x-rays and major services replacements.
See Attached Certificate Booklet.
7. Provide list of exclusions and eligible services.
See Attached Certificate Booklet.
8. Provide explanation of how dental claims are processed. Is the Dentist paid or is the employee reimbursed? How many days does it take to process payment?
Claim is received in our mail room, date stamped, then is scanned on the front end and either auto adjudicated by DD, or due to our business rules, goes to review for a processor review. The processor then adjudicates the claim for processing. The payment is either paid to the provider or member depending on to whom the payment should be received. Normal turnaround times for claims payments are within 30 days.
9. If the District were to change to a new dental insurance provider, provide an explanation of how existing claims will be processed in the first few months after the new contract start date. For example, if District employees or their dependents were having dental work completed after the new contract start date, what would be covered or paid by your plan.
COB information is indicated by the provider upon claims submission. The info is researched to verify accuracy and order of benefit determination. Once the information has been verified, COB info is loaded into the system to flag future claims.

PART II

GENERAL INFORMATION FORM

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

DENTAL INSURANCE COVERAGE

PACIFICARE DENTAL & VISION ADMINISTRATORS SEP 30-03
Legal Name of Firm Date

310 LAKE CENTER DRIVE, SANTA ANA CA 92704
Firm's Address

626-744-0106 626-744-0311
Telephone Number FAX Number

CORPORATION
Type of Organization (Partnership, Corporation, etc.) Tax ID Number

JOHN WHALLEY - VP of Sales & Marketing
Name of Principal-in-Charge and Title

Signature of Authorized principal
LA MONTE HOWARD - Sr. Business Manager
Name of Project Manager and Title

LA MONTE HOWARD 626-744-0106
Name, Title and Phone Number of Person To Whom Correspondence Should be Directed

310 LAKE CENTER DRIVE, SANTA ANA CA 92704
Addresses When Correspondence Should Be Sent

Sales & Service
Areas of Responsibility of Prime Contractor

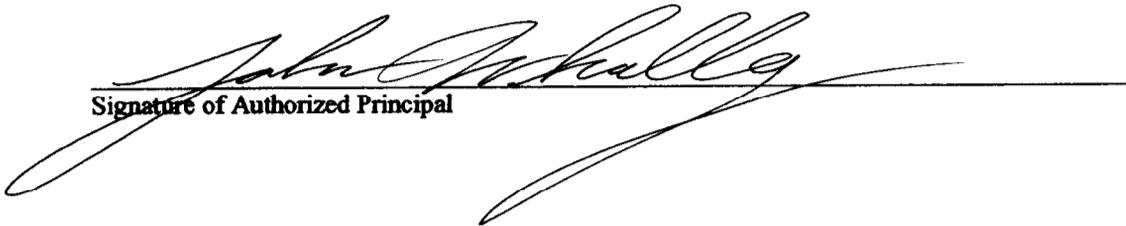
Listing of major sub consultants proposed (if applicable), their phone numbers, and areas of responsibility (indicate which firms are DBE's):

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.

ACCEPTANCE OF RFP TERMS AND CONDITIONS.

I hereby accept all terms and conditions of this RFP including all addendum **processed** prior to the proposal due **date:**



Signature of Authorized Principal

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: November 21, 2003
TO: Board of Directors
FROM: Mark J. Dorfman, Assistant General Manager
SUBJECT: CONSIDERATION OF RENEGOTIATED CONTRACT WITH UCSC

I. RECOMMENDED ACTION

It is recommended that the Board of Directors authorize the General Manager to execute a renegotiated contract with UCSC per the attached draft contract.

II. SUMMARY OF ISSUES

- At the September Board Meeting the Board authorized staff to enter into discussions with UCSC to renegotiate the existing contract.
- Santa Cruz METRO and UCSC have had a relationship for over 30 years.
- In response to budget shortfalls, the Board of Directors increased the base fare by 50% effective July 1, 2003.
- The current contract with UCSC allows for 12 months for implementation of the new rate structure.
- The University recently voted a transit fee increase, and does not have the funds available to absorb an increase of this magnitude at one time.
- The contract negotiated will allow for the University to pay an increased rate starting in September and spread the increase over the next six (6) years.
- The billing process will be greatly simplified and the University will pay for all trips taken on the system, similar to the recent contract with Cabrillo College.

III. DISCUSSION

At the September, the Board of Directors approved staff entering into discussions with staff from the University to develop a renegotiated contract for transit services.

Over the past thirty (30) years, Santa Cruz METRO and the University have had a series of one-year contracts. These contracts have used a complex series of formulas to arrive at a monthly billing. Essentially the monthly number of University riders on routes that serve the University is divided by the number of weekday service days in a month to determine an Average Daily Ridership. This Average Daily Ridership is then divided by 2 and then the result is multiplied by the monthly pass rate. For all those rides taken on routes that do not serve the University, there is no billing to the University.

While there have been incremental adjustments made to the contract over the years, the basic structure has essentially remained constant. The current contract with the University allows for a 12-month period before an increase in the Adult Pass Rate is applied to the contract. The recent Board adopted fare increase raised the Monthly Pass Rate to \$50 from \$40, requiring an increase in the rates charged to the University in July of 2004. The difficulty faced by the University is that they held a successful Transit Fee election in spring of 2002 where there was a promise made not to return to the students for four years if it passed. As a result of this promise, the University has indicated that there are not funds available to absorb a 25% increase in the Monthly Pass rate in July of 2004. This became the framework for staff to determine if there were other options available that might mutually benefit both parties.

One feature in the current agreement is that the rate is tied to the Adult Monthly Pass Rate. In the past, this has not been raised on a regular basis and when an increase does occur, there is an operational need to keep the increase to at least whole dollar amounts. If this tie-bar for the University was broken, more frequent, and smaller increases could occur. Further, if all rides were used as the basis rather than converting to a Monthly Pass Rate, the billing process would be made much easier for the District to administer and for the University to audit. Recently, a new contract with Cabrillo College eliminated the concept of billable versus unbillable rides and this approach if applied to the University contract would lower the per ride cost to the University, while increasing revenues for METRO. By staggering the increase in the rates over time, the University might be able to deal with the recent rate increase. In addition, this approach would accelerate the new rate structure to September 2003, nine (9) months early. This would have the impact of adding new revenue into the system and phasing in the revenue increases over time. The structure that both parties have agreed to in this draft contract is essentially revenue neutral over a 7-year period.

It is important to note that while no inflation factor is used in these calculations, a Cost of Living clause has been added to the contract per the Board's direction so that the contract rate will be adjusted on an annual basis to keep up with cost increases faced by METRO. The contract continues the existing language that either party may terminate the contract with 120 days written notice. The University felt this language was necessary if they reached a point where they were unable to afford to pay the increase.

Attachment A shows a comparison of the projected revenue to METRO from the current contract that is scheduled to increase to a \$50 rate in July of 2004, but maintains the charge only for billable rides with the proposed renegotiated contract that would retroactively begin in September of 2003 and charges for all rides taken by University Pass holders. The renegotiated contract would no longer be tied to the Monthly Pass Rate, but would use an individual per ride cost. In order to stay revenue neutral, the rate per ride would start at \$.853 in 2003/04 and would increase to \$1.067 in 2009/10, a 35.74% increase *not including any factor for inflation*. The annual increases (before inflation adjustments) are approximately 3.8% per year for each year in the seven-year period. Over the seven-year period, the METRO would receive \$8,147 more revenue than the current agreement, plus any adjustments from inflation.

Under this draft contract, METRO would get \$69,599 in revenues this year that it would not have received under the old agreement. In years 2, 3, and 4, METRO would get less revenue than under the previous agreement. Then in years 5, 6 and 7, METRO would get more revenue. This arrangement helps the University in the early years before they can get a new vote on a transit fee. Then in the later years, METRO collects more revenue, increasing the base for future contracts. METRO staff feels that this is a very workable arrangement that uniquely approaches what would have been a difficult situation for both parties and produces a “win-win”. This also follows and builds upon the recent Cabrillo contract, which utilizes a per ride rate of \$.85.

IV. FINANCIAL CONSIDERATIONS

This renegotiated contract has the effect of bringing in new revenue effective September 1, 2003 from the University. Over a 7-year period, the revenue change is neutral compared with getting the increase scheduled next July. The changes in the contract break the connection to the monthly pass rate and allow for the rate to float with increases in the Cost-of-Living, making for gradual increases over time.

V. ATTACHMENTS

- Attachment A:** UCSC Renegotiated Contract Fee Comparison
- Attachment B:** Comparison of UC Contract with Cabrillo College Contract
- Attachment C:** Draft Contract

UCSC RENEGOTIATED CONTRACT FEE COMPARISON

		CURRENT								
		2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	TOTAL
Baseline	Current Contract: Assume 02-03 ridership rate extended through 09-10. No increase in student enrollment is projected for 4-05 and 05-06.									
	Student Ridership	1,412,965	1,515,300	1,515,300	1,515,300	1,567,193	1,619,087	1,681,360	1,743,632	
	Student Billings	1,350,436	1,444,081	1,805,101	1,805,101	1,866,919	1,928,738	2,002,920	2,077,102	
	Faculty/Staff Ridership	133,158	142,788	142,788	142,788	147,678	152,568	158,436	164,304	
	Faculty/Staff Billings	126,901	136,077	170,096	170,096	175,921	181,747	188,737	195,727	
	Total Ridership	1,546,123	1,658,088	1,658,088	1,658,088	1,714,871	1,771,655	1,839,796	1,907,936	
	Total Billings	\$ 1,477,337	\$ 1,580,157	\$ 1,975,197	\$ 1,975,197	\$ 2,042,841	\$ 2,110,484	\$ 2,191,657	\$ 2,272,829	\$ 14,148,362
	Ridership Growth		7.2%	0.0%	0.0%	3.4%	3.3%	3.8%	3.7%	
Proposed	Renegotiated Contract: Assume 02-03 ridership extended through 09-10. No increase in student enrollment is projected for 4-05 and 05-06.									
	Student Ridership		1,777,628	1,823,209	1,823,209	1,885,647	1,948,086	2,023,012	2,097,939	
	Student Billings		1,515,778	1,613,720	1,674,967	1,798,369	1,928,930	2,079,273	2,238,256	
	Faculty/Staff Ridership		157,124	188,737	188,737	195,201	201,664	209,421	217,177	
	Faculty/Staff Billings		133,979	167,051	173,391	186,166	199,681	215,245	231,703	
	Total Ridership	1,917,276	1,934,752	2,011,946	2,011,946	2,080,848	2,149,750	2,232,433	2,315,116	
	Total Billings		\$ 1,649,757	\$ 1,780,771	\$ 1,848,358	\$ 1,984,535	\$ 2,128,612	\$ 2,294,518	\$ 2,469,959	\$ 14,156,509
	Revenue Difference from Baseline		\$ 69,599	\$ (194,426)	\$ (126,838)	\$ (58,305)	\$ 18,127	\$ 102,861	\$ 197,129	\$ 8,147
	Revenue per Total Ride - ALL RIDES	\$ 0.786	\$ 0.853	\$ 0.885	\$ 0.919	\$ 0.954	\$ 0.990	\$ 1.028	\$ 1.067	
	% Increase in Revenue/Ride Over 02-03		8.49%	12.61%	16.88%	21.34%	25.98%	30.76%	35.74%	
	Annual % Increase in Per Ride Revenue			3.80%	3.80%	3.81%	3.82%	3.80%	3.80%	

COMPARISON OF UCSC AND CABRILLO CONTRACTS

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Cabrillo Contract ¹	.85	.85 ³	.85 ³	-	-	-	-
UCSC Contract ²	.853	.885 ³	.919 ³	.954 ³	.990 ³	1.028 ³	1.067 ³

Notes

1. Cabrillo Contract only covers Monday through Saturday and only when school is in session.
2. UCSC Contract applies 7 days a week and 12 months of the year.
3. CPI increases apply in the out years of the contracts.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

CONTRACT FOR TRANSIT SERVICES WITH REGENTS OF THE UNIVERSITY OF CALIFORNIA

This contract for transit services is made effective September 1, 2003 between the Santa Cruz Metropolitan Transit District, a political subdivision of the State of California, hereinafter called the "METRO", and the Regents of the University of California, on behalf of the University of California Santa Cruz, hereinafter called "University".

I. RECITALS

- 1.01 Whereas METRO provides public transportation services throughout the County of Santa Cruz according to published schedules;
- 1.02 Whereas, METRO desires to provide transportation for students, faculty and staff of the University, to and from the University and other parts throughout the County of Santa Cruz, and
- 1.03 Whereas, University desires that students, faculty and staff utilize the transit service to the maximum extent possible at an affordable rate.

Now therefore, METRO and University agree as follows:

II. SCOPE OF AGREEMENT

- 2.01 University will issue a METRO approved "UCSC Bus Pass" to its current students, faculty and staff under such terms and conditions as University deems appropriate in its sole discretion, which shall be valid without payment of an additional fare on any METRO fixed route bus, except those in operation on the Highway 17 Express route.
- 2.02 University shall provide METRO with any changes to the "UCSC Bus Pass" 120 days in advance of any implementation;
- 2.03 University agrees to expeditiously implement this agreement and to identify a Transportation Coordinator whose job functions shall include marketing transit resources to the University community;

III. COMPENSATION

- 3.01 METRO shall bill University on a monthly basis for each time a University student, faculty or staff member uses a "UCSC Bus Pass" on a METRO bus. The cost per ride shall be set at the following rates:

<u>PERIOD</u>	<u>RATE</u>
September 1, 2003 – August 31, 2004	\$0.853/ride
September 1, 2004 – August 31, 2005	\$0.885/ride
September 1, 2005 – August 31, 2006	\$0.919/ride
September 1, 2006 – August 31, 2007	\$0.954/ride
September 1, 2007 – August 31, 2008	\$0.990/ride
September 1, 2008 – August 31, 2009	\$1.028/ride
September 1, 2009 – August 31, 2010	\$1.067/ride

3.02 On an annual basis, the cost per ride shall be adjusted based upon the increase in the Consumer Price Index. The basis for computing the adjustment is the Consumer Price Index for All Urban Consumers (base year 1982-84 = 100) for San Francisco-Oakland-San Jose published by the United States Department of Labor, Bureau of Labor Statistics ("Index"). If the index has increased over the beginning index in effect at the date of the beginning of the year, the adjustment shall be determined by the percentage increase in the index for the year period. The date for this annual adjustment shall be in March each year, with the effective date of the rate adjustment beginning at the commencement of the fall term of each year. The District shall send a letter to the University detailing the rate information for the upcoming year.

IV. ALTERNATIVE SERVICES

4.01 At the request of the University, the District shall consider the operation of alternative services, which are defined as transit services that are not currently in regular operation or provided for in the Metro budget. Alternative Services shall only be provided on a Route Guarantee Basis with the costs paid for by the University. The District shall provide a budget to the University for the service requested. Reimbursement for these services shall be based on the variable cost of providing the service less all revenues collected (farebox revenues and University fee revenue).

4.02 The request from the University for Alternative Services shall be in writing and forwarded to the General Manager. The General Manager will review the District's budget to determine whether the requested service is already included in the District's budget. If he/she determines that the District's budget does not fund the service and if the General Manager is willing to provide the service, then he/she shall advise the University of the variable cost that the District would incur should the service be provided. The University shall advise the District whether it would be willing to fund the service, which shall be in writing, using the funding mechanism described herein. Upon receipt of the University's willingness to fund the service, the district shall operate the service at the reimbursement level determined above and agreed to by the University.

4.03 The District shall bill the University on a monthly basis for the services provided along with the normal billing.

4.04 Either party may terminate the services operated under this section by providing the other party with 90 days notice of termination

V. TERM AND TERMINATION

5.01 This contract shall commence on September 1, 2003 and shall continue through August 31, 2004. This contract may be mutually extended one year at a time if the parties agree to do so in writing.

5.02 Either party may terminate this agreement with 120 days advance notice in writing to the other party.

VI. NOTICES

6.01 The addresses where notices shall be sent are as follows:

University of California Santa Cruz

Santa Cruz, CA 95_____

Attention: _____

Santa Cruz Metropolitan Transit District

370 Encinal Street, Suite 100

Santa Cruz, CA 95060

Attention: General Manager

VII. MISCELLANEOUS PROVISIONS

7.01 In the event 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 attorneys' fees 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.

7.02 This Contract, together with all subordinate and other documents incorporated by reference herein, constitutes the entire agreement between the parties with respect to the subject matter contained herein and may only be modified by an amendment executed in writing by both parties hereto. All

prior agreements, representations, statements, negotiations, understandings and undertakings are superseded hereby.

- 7.03 University 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.
- 7.04 In connection with the distribution and use of “UCSC Bus Passes”, University and METRO shall not on the grounds of race, color, creed, ancestry, national origin, religion, sex, sexual preference, marital status, age, medical condition or disability discriminate or permit discrimination against any person or group or persons in any manner prohibited by Federal, State or local laws.
- 7.05 University and METRO agree to 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.
- 7.06 No term or 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.
- 7.07 University shall not assign or transfer any interest in this contract without prior written consent of METRO. Any attempted assignment or transfer shall be void.
- 7.08 Time is of the essence in this Agreement.
- 7.09 Each party to this contract shall maintain books, accounts, records and data related to this contract in accordance with applicable state and federal requirements and shall maintain those books, accounts, records and data for three (3) years after the termination of this contract. For the duration of the contract and for a period of three years thereafter, either party’s representatives and representatives of the United States Department of Transportation, the Controller General of the United States and the Auditor General of the State of California shall have the right to examine these books, accounts, records, data and other information relative to this contract for the purpose of auditing and verifying statements, invoices, bills and revenues pursuant to this contract.
- 7.10 University agrees to submit to METRO any and all advertising, sales promotion, and other publicity matter relating to any METRO Transit service wherein METRO’s name is mentioned or language used from which the connection of METRO, name therewith may, within reason, be inferred or

implied. University further agrees not to publish or use any such advertising, sales promotion, or publicity matter without the prior written consent of the METRO.

7.11 Each party has full power and authority to enter into and perform this contract and the persons signing this agreement on behalf of each party has been properly authorized to enter into it. Each party further acknowledges that it has read this contract, understands it, and agrees to be bound by it.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first written above.

SANTA CRUZ METROPOLITAN
TRANSIT DISTRICT

REGENTS OF THE
UNIVERSITY OF CALIFORNIA

BY: _____
Leslie R. White
General Manager

BY: _____

Approved as to form:

Approved as to form:

Margaret Gallagher
District Counsel

David Birnbaum
University Counsel

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: November 14, 2003

TO: Board of Directors

FROM: Bryant J. Baehr, Manager of Operations

SUBJECT: CONSIDERATION OF ENTERING INTO AN INTERIM CONTRACT WITH FIRST ALARM SECURITY OF SANTA CRUZ FOR THE PROVISION OF SECURITY SERVICES FROM NOVEMBER 14, 2003 THROUGH DECEMBER 31, 2003.

I. RECOMMENDED ACTION

Staff is recommending that the Board of Directors authorize the General Manager to enter into a contract with First Alarm Security of Santa Cruz from November 14, 2003 through December 31, 2003 for the provision of security services.

II. SUMMARY OF ISSUES

- The Transit District stations security officers at the Metro Center, Revenue Processing Center and for Farebox vault processing.
- On November 4, 2003, the Transit District received notification that Paige's Security Services is no longer a viable company and would be ceasing operation on November 4, 2003.
- Under the General Manager's purchasing authority, staff contracted with First Alarm Security of Santa Cruz to provide security services through November 14, 2003.
- Staff is requesting authorization to retain First Alarm Security of Santa Cruz until December 31, 2003. Staff is preparing a Request for Proposal (RFP) for security services and will be returning to the Board of Directors on December 19, 2003 with a recommendation for a permanent security company.

III. DISCUSSION

On September 01, 2000 the Transit District entered into a contract for security services with Paige's Security Services. The contract was extended on August 13, 2003 through August 31, 2004. Security officers are stationed at the Transit District's Metro Center, Revenue Processing Center and used for Farebox vault processing.

On November 4, 2003, staff received notice from Clare M. Pierce, agent for William A. Brandt, Jr., of Development Specialists, Inc., the Chapter 11 Trustee of Paige's Security Services, Inc., that Paige's Security Services was determined a non-viable business entity and would be ceasing operation on November 4, 2003.

Staff verified this notice with James Houston, Vice President of Finance for Paige's Security Services. Paige's employees were escorted from District facilities and equipment issued was returned.

Staff contacted First Alarm Security of Santa Cruz to determine if an interim contact could be negotiated until a formal Request for Proposal (RFP) process could be completed. First Alarm agreed to provide security services to the Transit District until a formal RFP process could be completed. Acting on the General Manager's purchasing authority, staff engaged First Alarm Security of Santa Cruz to provide security services until November 14, 2003. The General Manager's purchasing authority limit does not allow enough time to complete a formal RFP process and provide for uninterrupted security / revenue processing.

Paige's Security Service reimbursement rate:

Security officer:	\$17.72
Site Supervisor:	\$20.34

First Alarm of Santa Cruz proposed reimbursement rate:

Security officer:	\$20.12
Site Supervisor	\$25.88
Holiday Rate:	\$26.03

Staff is requesting that the Board of Directors authorize the General Manager to enter into an interim contact with First Alarm Security of Santa Cruz expiring on December 31, 2003. Staff will be conducting a formal RFP process for security services with a recommendation forwarded to the Board of Directors for consideration at the December 19, 2003 meeting.

IV. FINANCIAL CONSIDERATIONS

The cost for security services, from November 14, 2003 to December 31, 2003, will not exceed \$50,000 and is currently in the Board of Directors approved budget for FY 2003-2004.

V. ATTACHMENTS

Attachment A: Fax received on November 4, 2003 from Clare M. Pierce, agent for William A. Brandt, Jr. Chapter 11 Trustee of Paige's Security Services, Inc.

Attachment B: Proposed contract from First Alarm Security of Santa Cruz.

Attachment A

facsimiletransmittal

SANTA CRUZ METRO
TO: TRANSIT DISTRICT
Attn: BRYANT
LOYD LONGNECKER

Fax #: 467. 1958 Date: 11/4/2003

Re: Tenninnton of Service Pages: 1

Urgent For Review Please Comment Please Reply Please Recycle

From: Clare M. Pierce, agent for
William A. Brandt, Jr.,
Chapter 11 Trustee of Paige's Security Services, Inc.

On Monday October 27, 2003, the United States Bankruptcy Court, San Jose District, appointed William A. Brandt, Jr. of Development Specialists, Inc. the Chapter 11 Trustee of Paige's Security Services, Inc.

Upon thorough review and analysis of Paige's financial situation, the Trustee has determined that Paige's is not a viable business entity and can no longer operate. The Trustee hereby notifies Paige's clients and employees that Paige's will cease to operate at noon, PST. Tuesday November 4, 2003.

In order to maintain continuous service until another security firm is contracted, clients may wish to employ their respective patrols on an individual basis until the client can make other arrangements. However, Paige's will not be responsible for any employe's liabilities after noon, PST, November 4, 2003.

If you have any questions, please contact the Trustee at (831) 883-3494. Thanks for your understanding.



CORPORATE OFFICE
Santa Cruz County
 1111 ESTATES DRIVE
 APTOS, CA 95003
 (831) 685-1110
 FAX: (831) 688-8518

Salinas / Monterey
Operations Area
 971 N. MAIN ST,
 SUITE 7
 SALINAS, CA 93906
 (831) 758-1110
 FAX: (831) 424-2138

Gilroy/ Hollister
Operations Area
 8190 MURRAY AVE.
 SUITE A
 GILROY, CA 95020
 (408) 848-1110
 FAX: (408) 848-1129

South Bay
Operations Area
 2365 PARAGON DR
 SUITE E
 SAN JOSE CA 95131
 (408) 364-1110
 FAX: (408) 615-8290

North Bay
Operations Area
 7700 EDGEWATER DR
 SUITE 307
 OAKLAND CA 94621
 (510) 625-1110
 FAX: (510) 625-9223

LICENSE PP01 1167

SECURITY SERVICES AGREEMENT

This Agreement is entered into this 14th day of November, 2003 by and between **FIRST ALARM SECURITY & PATROL, INC.**, hereinafter "referred to as 'Contractor,'" and Santa Cruz Metropolitan Transit District (SCMTD) hereinafter referred to as "Subscriber," at: 1200 River Street City Santa Cruz zip 95060 Phone (831) 425-8951 Fax:(831) 426-9471

Contractor and Subscriber agree as follows:

- Schedule of Service.** Contractor agrees to provide the security services described below (Uk "Services") commencing on **11/05/03** on the premises of Subscriber at: **designated** SCMTD facilities
 The Services shall be as follows:
INSURANCE: \$5,000,000 PL, PD \$1,000,000 Vehicular
 Any additional charges levied by Contractor's Insurance Carrier as result of compliance to Subscriber's Insurance requirements will be passed through to the Subscriber.
PERSONNEL: State licensed, uniformed security officers
DUTIES: Refer Post Instructions

SERVICES: Metro Center, (1) security officer **24/7**- 168 hours per week, Revenue Processing, (2) security officers 0700-I 500 M-F - 80 hours per week, Vault Processing, (1) security Officer **1800-0200** M-Sat, 48 hours per week.

Rates: Security Officers - \$ 20.12 per man hour (256 man hours per week)
 Supervisor (lead) - \$ 25.88 per man hour (40 man hours per week)
 Account Set-Up Lead - \$ 25.88 per man hour (hours to be determined)

Rates good through December 3 1.2003 (overtime rate of \$26.03 per man hour for all man hours worked until 0000 hours 11-07-03/midnight Friday night)

HOLIDAYS: The following listed Holidays are subject to billing at the contracted Holiday Rate: New Years Day, Memorial Day, 4th of July, Labor Day, Veteran's Day, Thanksgiving and Christmas Day.

2. Rates, Terms and Payments

- Security Patrol Services.** For security patrol services Provided hereunder, Subscriber hereby agrees to pay Contractor, its agents or assigns, the sum of **N/A** Dollars (\$N/A) per month, in advance, for a period of twelve (12) months from commencement of the security patrol Services. This Agreement may be terminated during this period pursuant to Paragraph 13 of the Additional Terms and Conditions on reverse.
- Fixed-Site Guard Services.** For fixed-site guard services provided hereunder, Subscriber baby agrees to pay Contractor, its agents or assigns, the sum of refer **above** Dollars (\$) per man hour of regular (non-overtime) time, Dollars (\$) per man hour of overtime and Dollars (**\$26.03**) per man hour fur Holiday Rate.

Contractor shall obtain Subscriber's prior approval for all overtime services. These fixed-site guard services ~~DO~~ **XX** ~~DO NOT~~ constitute 'Special' one-time or short-term services This Agreement for fixed-site guard services other than "Specials" or short-term arrangements shall continue for a period of twelve (12) months from the commencement of such services. This Agreement may be terminated during this period pursuant to Paragraph 13 of the Additional Terms and Conditions.

~~6. Renewal of Term. This Agreement shall be automatically renewed for an additional twelve (12) month period unless, not less than sixty (60) days prior to the expiration of the original term, either party shall notify the other in writing of its intention to terminate. Thereafter, this Agreement shall be automatically renewed annually unless, not less than sixty (60) days prior to the expiration of each subsequent renewal period, either party shall notify the other in writing of its intention to terminate.~~

3. Billing

- Security Patrol Services.** For security patrol services provided hereunder, Payment shall be billed in advance and due on the first (1st) day of each month.
- Fixed-Site Guard Services.** For fixed-site guard services provided hereunder, payment shall be billed bi-weekly following completion of such services and shall be due upon receipt of such bill.
- Special.** For "Special" fixed-site guard services provided hereunder, payment shall be bii and payable in advance.
- Late Payments.** A payment shall be considered past due if such payment is received more than thirty (30) days after the first day of the month in which such payment became due. If my payment is not received within thirty (30) days after the due date, Subscriber shall pay to Contractor an additional sum of five percent (5%) of the overdue amount as a late charge. Interest on any amount overdue more than thirty (30) days shall accrue at the rate of 1 % per month from the due date. Notwithstanding the foregoing, if Subscriber fails to pay amounts owing hereunder within thirty (30) days after such amount is due and payable, Contractor shall have the right to discontinue the Services and recover from Subscriber all sums Contractor may be entitled to under the law

4. Receipt of Copy. Subscriber acknowledges that (s)he has read and received a copy of this Agreement.

5. Cancellation [Residential Only]. SUBSCRIBER MAY CANCEL THIS AGREEMENT AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THIS AGREEMENT. SEE THE ATTACHED NOTICE OF CANCELLATION FORM FOR AN EXPLANATION OF THIS RIGHT.

6. Contractor's Limited Liability. SUBSCRIBER ACKNOWLEDGES THAT (S)HE HAS READ THIS ENTIRE AGREEMENT INCLUDING THE ADDITIONAL TERMS AND CONDITIONS ON THE REVERSE SIDE WHICH ARE INCORPORATED IN THIS AGREEMENT; (S)HE HAS DISCUSSED PARAGRAPHS 12 AND 16 OF THE ADDITIONAL TERMS AND CONDITIONS REGARDING CONTRACTORS LIMITATION OF LIABILITY AND RIGHT TO INDEMNIFICATION WITH CONTRACTOR'S AGENT, AND UNDERSTANDS THAT (S)HE MAY OBTAIN A HIGHER LIMIT OF CONTRACTORS LIABILITY BY PAYING AN ADDITIONAL CHARGE.

7. THIS AGREEMENT SHALL NOT BE BINDING UPON CONTRACTOR UNLESS APPROVED IN WRITING BY AN OFFICER OF CONTRACTOR. IN THE EVENT OF NON-APPROVAL, THE LIABILITY OF CONTRACTOR SHALL BE TO REFUND TO SUBSCRIBER THE AMOUNT THAT HAS BEEN PAID TO CONTRACTOR BY SUBSCRIBER UPON THE EXECUTION OF THIS AGREEMENT.

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

FIRST ALARM SECURITY & PATROL, INC

SUBSCRIBER

By (Signature) _____

By (Signature) _____

(Printed Name) Cal Ho rt on, CPP

(Printed Name) _____

(Title) General Manager

(Title) _____

ADDITIONAL TERMS AND CONDITIONS

8. Emergency Costs. If Subscriber's agent, is absent from premises or otherwise unavailable should an emergency occur such as fire, break-in, arrest, etc., or any situation where professional assistance is required or needed to secure or insure the safety of the property, Contractor shall act as agent for Subscriber to obtain such assistance. Should any costs occur, these costs, along with costs for additional services by Contractor not specified in this Agreement, shall be borne by Subscriber.
- 8.1 Additional Personnel Costs. Any additional personnel costs incurred as a result of any lawful action taken by any agent of this firm on the behalf of subscriber, to include time spent in court, depositions, etc., may be billed to subscriber at prevailing overtime rate.
- 8.2 Government Agency Mandated Costs. Subscriber acknowledges that all charges set forth herein are based upon proportional margins established from current governmental minimum wage orders. Company shall have the right, at any time, to increase the charges provided herein, to proportionally reflect any changes mandated by any governmental agency relating to the service provided under the terms of this agreement and Subscriber agrees to pay same.
9. Assignees and Subcontractors of Contractor. Contractor shall have the right to assign this Agreement to any other person, corporation, or other entity without notice to Subscriber and shall have the further right to subcontract any or all of the Services provided hereunder. This Agreement, including without limitation those paragraphs relating to Contractor's limitation of liability, liquidated damages, and third party indemnification, inures to the benefit of and is binding upon Contractor's assignees and subcontractors, and is binding upon Subscriber with respect to such assignees and subcontractors.
10. Force Majeure. Neither Contractor nor Subscriber will be held responsible for any damages caused by delay or failure to perform the Services due to fire, strike, act of God, any extreme emergency, a legal act of public authority, or any other cause beyond the reasonable control of either party.
11. Validity and Amendments. This Agreement shall be of no force or effect until signed by both parties, and it shall not be changed or amended in any manner except by written memorandum signed by both parties.
12. Contractor is not an Insurer; Liquidation Damages; Limitation of Liability.
- 12.1 Contractor is not an insurer. Insurance, if any, shall be obtained by Subscriber. The payments provided for pursuant to this Agreement are based solely on the value of the Services as set forth in this Agreement and are unrelated to the value of Subscriber's property or the property of others located on Subscriber's premises. Contractor makes no guarantee or warranty that the Services supplied will avert or prevent occurrences or the consequences herefrom which the Services are designed to detect or avert. Subscriber understands and agrees that it is impractical and extremely difficult to fix the actual damages, if any, which may proximately result from Contractor's negligence, or a failure to perform any of the obligations herein with resulting loss to Subscriber because of, among other things:
- 12.1.1 the uncertain amount or value of Subscriber's property or the property of others kept on the premises which may be lost, stolen, destroyed, damages, or otherwise affected by occurrences which the Services are designed to detect or avert;
- 12.1.2 the uncertainty of the response time of any police or fire department, or others should they be dispatched as a result of the Services;
- 12.1.3 the inability to ascertain what portion, if any, of any property loss or personal injury or death would be proximately caused by Contractor's failure to perform; and
- 12.1.4 the nature of the service to be performed by Contractor.
- Subscriber understands and agrees that if Contractor should be found liable for loss or damage due from (i) failure of Contractor to perform any of the obligations herein, (ii) the failure of the Services in any respect whatsoever, or (iii) Contractor's active or passive negligence, Contractor's liability shall be limited to a sum equal to the total of six times the monthly charges or Two Hundred and Fifty Dollars (\$250.00), whichever is the lesser, as liquidated damages and not as a penalty, and this liability shall be exclusive. The provisions of this Section shall apply if loss or damage, irrespective of cause or origin, results directly or indirectly to persons or property, from performance or non-performance of the obligations imposed by this Agreement, or from negligence, active or otherwise, of Contractor, its agents, servants, assigns, employees, or subcontractors.
- 12.2 If Subscriber wishes Contractor to assume a limited liability in lieu of the liquidated damages as stated above, Subscriber may obtain from Contractor a limitation of liability by paying an additional periodic service charge to Contractor. If Subscriber elects to exercise this option, a rider shall be attached to this Agreement setting forth the terms, conditions, and amount of the limited liability and the additional periodic charges. Such rider and additional obligation shall in no way be interpreted to hold Contractor as an insurer.
- ~~10. Termination. Subscriber or Contractor may terminate this Agreement upon ninety (90) days prior written notice. Notwithstanding the foregoing, this Agreement may be suspended or canceled without notice at the option of Contractor, if Contractor's or Subscriber's premises is destroyed by fire or other catastrophe, or so substantially damaged that it is impractical to continue service, or in the event Contractor is unable to render service due to circumstances beyond its reasonable control.~~
14. Controlling Agreement. It is understood and agreed by and between the parties hereto, that if there is any conflict between this Agreement and any other purchase order or document, this Agreement shall supersede.
15. Renewal and Price Increase. Subscriber hereby agrees that Contractor shall have the annual right to increase the service rate provided herein commencing after the expiration of one (1) year from the date hereof up to 5%. If the increase is more than 5% the subscriber will be given at least thirty (30) days prior written notice and may cancel the unexpired term of this agreement, effective on the date of the proposed price increase, by notifying Contractor within thirty (30) days of the contractor's price increase notice.
16. Third Party Indemnification. Subscriber agrees to and shall indemnify, defend and hold harmless Contractor, its employees and agents from and against all costs, damages, liabilities, obligations, expenses, including attorney's fees, and claims, with respect to claims brought by any party other than the parties to this Agreement and arising from or related to this Agreement. This provision shall apply to all claims regardless of cause, including Contractor's performance or failure to perform whether based upon active or passive negligence, contribution, indemnification, warranty or strict liability on the part of Contractor, its employees or agents. However, this provision shall not apply to claims from loss or damage which occur while an employee of Contractor is on or about Subscriber's premises, and are solely and directly caused by said employee.
17. Decals/Signs. It is understood and agreed that Contractor shall remain sole owner of any warning decals or signs and may remove or upon written notice to Subscriber abandon said decals or signs.
18. Subscriber's Consent. Subscriber hereby consents to Contractor's entering said property and/or premises to provide the Services
19. Notices. All notices, requests, demands and other communications under this Agreement shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or on the third day after mailing if mailed to the party to whom notice is to be given, by first-class mail, registered or certified, postage pre-paid addressed as set forth on the signature page of this Agreement. Either party may change such party's address for purposes of this paragraph by giving the other party written notice of the new address in the manner set forth above.
20. Authorized Persons. Subscriber agrees to furnish Contractor with a written list of names, titles, residences, telephone numbers and signatures of all persons authorized to enter the premises of Subscriber during Subscriber's absence from the premises. All changes, revisions and modifications to the above shall be promptly supplied to Contractor in writing.
21. Supervision and Control. All security officers furnished to the Subscriber by Contractor are the employees of Contractor. Contractor will pay the wages, taxes (including but not limited to Social Security and Federal and State Unemployment Taxes) and other expenses relating to each of its employees. Contractor will hire, train, supervise and control its employees but will, however, remove any security officer not acceptable to the Subscriber on written request showing reasonable cause. Subscriber and Contractor agree that in the performance of this Agreement, there shall be no discrimination on account of race, religion, sex, age, or national origin and each shall comply with applicable federal, state, and local laws and regulations pertaining to fair employment practices.
22. Automobiles or Mobile Equipment. Any automobile or mobile equipment which is furnished by Subscriber for use by Contractor, its agents or employees, shall be insured by the Subscriber. The insurance shall contain a provision that provides coverage for Contractor, its agents and employees as a permissive user. The Subscriber recognizes that Contractor, its agents or employees, or the automobile or mobile equipment furnished by the Subscriber may be injured or damaged accidentally. The Subscriber therefore agrees to defend, indemnify and save Contractor, its agents and employees, harmless from any and all loss, damage, injury, liability, claim or cause of action for injury to person or property, including the automobile or mobile equipment, resulting from Contractor's or its agents' or employees' use of such vehicle, except for such loss or injury occasioned by the gross negligence or willful misconduct of Contractor or its agent or employee.
23. Hiring of Contractor's Employees. Contractor is not an employment agency and the services it furnishes to the Subscriber are made possible only by a substantial investment in advertising, recruiting, testing and training of personnel. In consideration of the time and expense invested in providing these services, the Subscriber will not hire any employee from Contractor while the employee is still employed by Contractor or for ninety (90) days after termination of the employee from Contractor. Subscriber agrees to pay a placement fee of \$1,000 for every employee of Contractor, and \$2,000 for any supervising employee of Contractor hired in breach of this paragraph.
24. Governing Law. This Agreement shall be subject to and be governed by the law of the State of California
25. Entire Integrated Agreement; Modification; Alterations; Waiver. This writing is intended by the parties as a final expression of their agreement and as a complete and exclusive statement of the terms thereof. This Agreement supersedes all prior representations, understandings or agreements of the parties, and the parties rely only upon the contents of this Agreement in executing it. This Agreement can only be modified by a writing signed by the parties or their duly authorized agent. No waiver of a breach of any term or condition of this Agreement shall be construed to be a waiver of any succeeding breach.
26. Invalid Provisions. In the event any of the terms or provisions of this Agreement shall be declared to be invalid or inoperative, all of the remaining terms and provisions shall remain in full force and effect.
27. Assignment. Subscriber shall not assign, sell, transfer or delegate any of his rights or duties hereunder without the prior written consent of Contractor

First Alarm Security & Patrol, Inc. is licensed under the Department of Consumer Affairs, Bureau of Collections Investigative Services, 400 R Street, Suite 2001, Sacramento, CA 95814.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: November 21, 2003

TO: Board of Directors

FROM: Leslie R. White, General Manager

SUBJECT: CONSIDER AUTHORIZATION TO OPERATE THE WATSONVILLE HOLIDAY SHUTTLE

I. RECOMMENDED ACTION

That the Board of Directors authorize the operation of the fare-free Holiday Shuttle for the City of Watsonville.

II. SUMMARY OF ISSUES

- For the last four years METRO has operated the Holiday Shuttle for the City of Watsonville.
- The Holiday Shuttle serves downtown Watsonville and major shopping areas.
- With the concurrence of the City of Santa Cruz, the Trolley Replica is used as the primary vehicle for this service.
- The City of Watsonville has indicated that it has funding available to offset the cost of operating the Holiday Shuttle.
- The City of Watsonville has requested that the Holiday Shuttle operate from December 1, 2003 through December 24, 2003.
- The routing and hours of operation for the Holiday Shuttle are anticipated to be the same as those provided in previous years.

III. DISCUSSION

For the past four years the Board of Directors has authorized the operation of the Watsonville Holiday Shopper Shuttle. The City of Watsonville has already approved funding for the operation of the shuttle.

The City of Watsonville has requested the use of the Trolley Replica as the primary vehicle to be used in providing the Holiday Shuttle service. The City of Santa Cruz has approved of the use of the Trolley Replica vehicle for the Holiday Shuttle service. The Board of Directors has previously agreed to provide shuttles for other government agencies as long as all of the operating costs are covered by the requesting agency.

III. FINANCIAL CONSIDERATIONS

METRO will not incur any additional operating costs through the provision of the Holiday Shuttle in Watsonville.

IV. ATTACHMENTS

Attachment A: November 4, 2003 letter from Marcela Tavantzis, Assistant City Manager, City of Watsonville.

CITY OF WATSONVILLE

"Opportunity through diversity, unity through cooperation"



ADMINISTRATION BUILDING

215 Union Street
Second Floor
Fax 831 761 0736

MAYOR & CITY COUNCIL

215 Union Street
831 728 6000
CITY MANAGER
831 728 6011
CITY ATTORNEY
831 728 6075
CITY CLERK
831 728 6005
PERSONNEL
831 728 6012

CITY HALL OFFICES

250 Main St

COMMUNITY DEVELOPMENT

831 728 6076
Fax 831 728 6173

FINANCE

831 728 6071
Fax 831 763 4066

PUBLIC WORKS & UTILITIES

831 728 6049
Fax 831 728 6065

PURCHASING

831 728 6029
Fax 831 763 4066

REDEVELOPMENT & HOUSING

831 728 6014
Fax 831 763 4114

ARKBOKI

100 Avila Way
831 728 6077
Fax 831 763 4058

FIRE

115 Second Street
831 728 6060
Fax 831 763 4051

LIBRARY

310 Union Street
831 728 6040
Fax 831 763 4015

PARKS & COMMUNITY SERVICES

30 Maple Avenue
831 728 6081
Fax 831 763 4078

November 4, 2003

Attachment A

Mr. Les White, Executive Director
SCMTD
370 Encinal Street, Suite 100
Santa Cruz, CA 95060

RE: Holiday Shuttle 2003

Dear Mr. White;

This is confirm that the Watsonville City Council has approved the funding necessary to provide Holiday Shuttle service in Watsonville for 2003.

As in previous years, we would like the Shuttle to begin on Sunday, December 1st, operate **from** noon to 8 p.m. Monday through Friday, and from 10 a.m. to 8 p.m. on the weekends. The route and frequency will remain the same (one bus on weekdays, and two buses on weekends). In previous years (excluding last year) the Shuttle operated throughout the month of December. Due to budget considerations, this year the Shuttle will only operate through December 24th.

With the assistance of a grant from SCCRTC, and local funds, we will pay the cost of the service, estimated at \$57 per hour.

It is our understanding that the principal vehicle offering the service will be the trolley, with a secondary bus operating only on weekends in order to **meet** the frequency desired. Please let me know if that is not the case.

I really appreciate all the help I have continuously received **from** the District's staff with respect to this project.

If you or your staff have any questions, please do not hesitate to contact me.

Sincerely,

Marcela Tavantzis, P.E.
Assistant City Manager

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: November 21, 2003

TO: Board of Directors

FROM: Leslie R. White, General Manager

SUBJECT: CONSIDERATION OF APPOINTING A MEMBER OF THE BOARD OF DIRECTORS TO SERVE AS THE METRO REPRESENTATIVE TO THE HIGHWAY 1 WIDENING/HOV JOINT POWERS AUTHORITY

I. RECOMMENDED ACTION

That the Board of Directors appoint one member of the Board to serve as the METRO representative to the Highway 1 Widening/HOV Joint Powers Authority.

II. SUMMARY OF ISSUES

- On October 24, 2003 the Board of Directors voted to join the Joint Powers Authority (JPA) being formed to oversee the Highway 1 Widening/HOV Project.
- The County of Santa Cruz and the cities of Capitola, Scotts Valley, and Watsonville have also voted to join the JPA.
- The first organizational meeting of the JPA is scheduled to be held on Friday December 05, 2003.
- In order for METRO to be represented on the JPA Board of Directors, it is necessary for the METRO Board to appoint one of its members to serve on the JPA Board.

III. DISCUSSION

In order to facilitate direct oversight of the proposed Highway 1 Widening/HOV Project, the Santa Cruz County Regional Transportation Commission facilitated the development of a Joint Powers Authority (JPA). The proposed JPA included membership from the County of Santa Cruz, the cities of Capitola, Santa Cruz, Scotts Valley, Watsonville, and METRO. As of November 01, 2003 the County of Santa Cruz, the cities of Capitola, Scotts Valley, and Watsonville have voted to become members of the JPA. On October 24, 2003 the METRO Board of Directors voted to become a member of the JPA. The City of Santa Cruz has declined to become a member of the JPA at this time.

The Santa Cruz County Regional Transportation Commission has notified METRO that the first meeting of the JPA Board of Directors will be held on Friday December 05, 2003. In order for METRO to be represented at the initial meeting of the JPA Board, it is necessary for the Board of Directors to appoint a representative. The terms of office on the JPA Board are for one year. Therefore, I am recommending that a member of the METRO Board be selected to serve as a

member of the JPA Board of Directors for the time period December 01, 2003 through December 31, 2004.

IV. FINANCIAL CONSIDERATIONS

The selection of a member of the METRO Board to serve as a representative to the JPA will not have a financial impact on the operating or capital budgets.

V. ATTACHMENTS

None

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: November 21, 2003

TO: Board of Directors

FROM: Tom Stickel, Manager of Fleet Maintenance

SUBJECT: CONSIDER AMENDING CONTRACT FOR PRINTING OF *HEADWAYS*

I. RECOMMENDED ACTION

District staff is recommending that the Board of Directors authorize the General Manager to execute an amendment to the contract with Folger Graphics to extend the term of the contract for one (1) additional year.

II. SUMMARY OF ISSUES

- The District has a contract (No. 02-12) for the printing of *Headways*.
- At the option of the District, this contract may be renewed for four (4) additional one-year terms.
- Folger Graphics has indicated that they are interested in extending the contract one additional year to December 31, 2004 without modifications.
- It is requested that the Board of Directors authorize the General Manager to execute an amendment to the contract to extend the contract term for one additional year.

III. DISCUSSION

Headways is the District's bus schedule published to provide the community information with current service routes and timetables. The District's current contract with Folger Graphics for the printing of *Headways* is due to expire on December 31, 2003. Folger Graphics has provided good service under this contract. An extension of the contract would be favorable to the District. Section 3.02 of the contract allows the District the option to renew the contract for four (4) additional one-year terms. Folger Graphics has also reviewed the contract and has indicated their desire to extend the contract for one additional year with no modifications.

District staff is recommending that the Board of Directors authorize the General Manager to execute an amendment to the contract to extend the contract term for one additional year.

IV. FINANCIAL CONSIDERATIONS

Annual costs for two production runs of *Headways* will cost approximately \$30,000. These costs are included as part of the Planning and Marketing budget.

V. ATTACHMENTS

- A- Letter from Folger Graphics
- B- Contract Amendment



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November 7, 2003

Lloyd Longnecker
District Buyer
Santa Cruz Metropolitan Transit District
120 Dubois Street
Santa Cruz, California 95060

Dear Lloyd:

I am in receipt of your letter dated November 3, 2003 regarding extension of printing contract.

This a letter to confirm intent and agreement by FolgerGraphics to extend the contract for the Invitation for Bid No. 02- 12 for an additional one-year period without modifications from January 1, 2004 through December 31, 2004.

Sincerely,



Bill Briggs
Account Executive
E-mail: billbriggs@folgergraphics.com
Phone: 510-887-5656x104

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FIRST AMENDMENT TO CONTRACT NO. 02-12
FOR PRINTING OF HEADWAYS**

This First Amendment to Contract No. 02-12 for Printing of Headways is made effective January 1, 2004 between the Santa Cruz Metropolitan Transit District, a political subdivision of the State of California (“District”) and Folger Graphics (“Contractor”).

I. RECITALS

1.1 District and Contractor entered into a Contract for Printing of Headways (“Contract”) on January 1, 2003.

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 December 31, 2004. 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 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

Signed on _____

DISTRICT
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR
FOLGER GRAPHICS

By _____
Linda Torre
Vice President, Administration

Approved as to Form:

Margaret R. Gallagher
District Counsel

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: November 21, 2003

TO: Board of Directors

FROM: Mark Dorfman, Assistant General Manager

SUBJECT: CONSIDER AUTHORIZING THE GENERAL MANAGER TO REQUEST AN ADVANCE PAYMENT OF URBANIZED AREA FORMULA FUNDS IN FY2004 FROM CALTRANS FOR ONE-TIME CAPITAL FUNDING REQUIREMENTS.

I. RECOMMENDED ACTION

Authorize the General Manager to submit a request to Caltrans for a one-time capital advance of urbanized area formula funds from future years' apportionments.

II. SUMMARY OF ISSUES

- The Federal Transit Administration's (FTA) Urbanized Area Formula Program allocates funds to Caltrans for all of the small transit operators in California. If an agency cannot use all of the funds available by formula, Caltrans can redistribute the funds to another transit operator with a more immediate need and the funds must be repaid.
- METRO can request a one-time advance of \$350,000 from Caltrans from the pool of unprogrammed funds in this year's Urbanized Area Formula program.
- These funds would be programmed as an "advance" against future year appropriations, and METRO would be required repay the advance through deductions from each of the next five year's apportionment to Santa Cruz County.
- Both the FTA and AMBAG have indicated that this funding advance could be added into the currently approved Metropolitan Transportation Improvement Program as an administrative amendment to increase operating funds from the Urbanized Area Formula Program.
- This infusion of additional operating funds from FTA would free up other funds to be used for the one-time costs that would be incurred if the Board chooses to take paratransit in-house.

III. DISCUSSION

The Federal Transit Administration (FTA) allocates funds from the Urbanized Area Formula Program to Caltrans for distribution to the small transit operators in urban areas with less than 200,000 population throughout the State of California. This year, Caltrans has available funds which cannot be fully programmed by the current slate of small operators. When these funds are not fully programmed, the FTA will not allow federal earmarks to move forward.

Our request in this process will assist Santa Cruz METRO in getting reimbursed for the recent delivery of paratransit buses.

If authorized, the General Manager could request that money from this unprogrammed balance be added to METRO's allocation this year to pay for one-time, non-recurring costs, such as the capital costs for taking paratransit in-house. Caltrans would consider the additional funds to be an "advance payment" from future year's appropriations, and the amount of funds allocated to METRO during each of the next five years would be reduced accordingly to repay funds advanced into this year's operating budget.

Both the FTA and the Association of Monterey Bay Area Governments, who are responsible for programming federally funded transportation projects in the Metropolitan Transportation Improvement Plan, indicated that they would approve adding the funds advanced as a conforming administrative amendment to this year's operating project.

If authorized by the Board, the General Manager will submit a letter of request for up to \$350,000 in additional funds from the FTA 5307 program for operating expenses. These funds would free up other funds that would be used for one-time costs such as taking paratransit in-house should the Board make that decision.

IV. FINANCIAL CONSIDERATIONS

This action would create up to \$350,000 in one-time capital funding that could be used for non-recurring capital expenses should the Board decide to take paratransit in-house. The District would have to repay these funds over a five-year period, or \$70,000 per year.

V. ATTACHMENTS

None

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

STAFF REPORT

DATE: November 21, 2003

TO: Board of Directors

FROM: Margaret Gallagher, District Counsel

SUBJECT: CONSIDERATION OF RATIFYING SANTA CRUZ METRO'S JOINING THE CALIFORNIA PUBLIC ENTITY INSURANCE AUTHORITY JOINT POWERS AGREEMENT IN ORDER TO OBTAIN ACCESS TO EXCESS WORKERS' COMPENSATION INSURANCE COVERAGE AND APPROVE THE EXCESS WORKERS' COMPENSATION PROGRAM MEMORANDUM OF UNDERSTANDING AND ADOPT THE ATTACHED RESOLUTION WHICH AUTHORIZES WORKERS' COMPENSATION COVERAGE FOR THOSE WHO VOLUNTEER FOR SANTA CRUZ METRO

I. RECOMMENDED ACTION

RATIFY the Santa Cruz METRO's joining the California Public Entity Insurance Authority Joint Powers Agreement, which allows METRO access to excess workers' compensation insurance coverage, APPROVE the excess Workers' Compensation Program Memorandum of Understanding and ADOPT the attached resolution, which authorizes workers' compensation coverage for those who volunteer for Santa Cruz METRO

II. SUMMARY OF ISSUES

- At the September 26, 2003 Board of Director's meeting, the Board authorized the general manager to execute a contract for licensed broker services for excess workers' compensation coverage with Driver Alliant Insurance Services, Inc. Attachment A sets forth the excess workers' compensation insurance's level of coverage, the coverage term and the limits of liability, for which Santa Cruz METRO contracted.
- In order to be able to contract with Driver Alliant Insurance Services, Inc. for the excess workers' compensation coverage, Santa Cruz METRO was required to become a member of the California Public Entity Insurance Authority (CPEIA).
- Santa Cruz METRO has been approved for admittance to California Public Entity Insurance Authority. The Joint Powers Agreement, which must be approved by the Board of Directors, to join the California Public Entity Insurance Authority, is attached as Attachment B. Additionally, the Board of Directors must approve the Excess Workers' Compensation Memorandum of Understanding, which is Attachment C.

- Attachment D is a resolution, which designates volunteers as employees for purposes of providing workers' compensation coverage in the event a volunteer is injured while performing their volunteer duties for METRO.

III. DISCUSSION

Since 1979, the County Supervisors Association of California dba California State Association of Counties (CSAC) Excess Insurance Authority (EIA) has provided its members with numerous risk management and insurance programs that have allowed them to manage various loss exposures. CSAC-EIA is one of an estimated 150 joint powers insurance pools currently operating in California. In 2001, CSAC established a "sister JPA" called the California Public Entity Insurance Authority (CPEIA). The CPEIA was created to provide other public agencies in California a vehicle to participate in CSAC's programs and services, specifically insurance programs including excess workers' compensation insurance. CSAC benefits from membership in the CPEIA as a result of additional resources and credibility in the insurance marketplace. In addition, CPEIA members are charged a fee of .5% of their premium for access to the CSAC's major programs. There are currently 43 entities, which have executed the CPEIA Joint Powers Agreement, and 42 of those members are participating in at least one of the major programs. These programs include Primary Workers' Compensation, Excess Workers' Compensation, Primary General Liability, Excess Liability, Excess Liability Programs II, Property, and Medical Malpractice.

In November 1979, the first CSAC program was established which was the Excess Workers' Compensation (EWC) Program. Coverage is provided above various self-insured retentions or the Primary Workers' Compensation Program is pooled with excess reinsurance purchased to \$50,000,000 in limits. Forty-nine counties and twenty-five CPEIA members currently participate in the EWC Program. Membership in this program has grown significantly due to the hard insurance market and the creation of the CPEIA.

In 1993, the Board of Directors approved major structural changes to the EWC financing mechanism. These changes allow for the combining of fund balances for all program years and also provide a mechanism to close out program years after ten years of maturity.

As of July 1, 2002, the Program was restructured to assume more risk as rates for excess insurance skyrocketed. With the restructuring, the Program is very competitive from a pricing standpoint. This is evidence by the volume of growth from counties as well as CPEIA members this year. It is expected that the Program membership to continue to grow over the next few years. The growth of the Program benefits all participating members because the additional premium strengthens the financial stability of the Pool and adds predictability in the actuarial analysis for future funding.

By belonging to CSAC-CPEIA, Santa Cruz METRO's insurance premium for excess workers' compensation coverage will be \$82,582. The prorated amount to bring METRO to July 1, 2004 is \$56,680. In order to participate in this Program the Board of Directors must approve the JPA Agreement, which is Attachment B, and the EWC Memorandum of Understanding (MOU), which is Attachment C.

The MOU explains that the annual premiums are determined by the EIR Board and provides a mechanism should the Program for any reason not be adequately funded. According to the MOU, if there is insufficient funding, pro-rata assessments of the participating members will be utilized to ensure the approved funding level for the applicable policy periods. The MOU also sets forth the claims administration and responsibility for claims procedures. Sanctions can be imposed if a member fails to comply with standards, which affect or could affect the CSAC or the CPEIA. Members can withdraw from the JPA upon giving 60 days notice before the end of a coverage period.

Attachment D is a resolution, which designates volunteers as employees for purposes of providing workers' compensation coverage in the event volunteers are injured while performing their volunteer duties. Labor Code Section 3352 (i) specifically excludes any person performing voluntary service for a public agency or a private, nonprofit organization who receives no remuneration for the services other than meals, transportation, lodging, or reimbursement for incidental expenses from the definition of "employee" for purposes of workers' compensation coverage. However, Labor Code Section 3363.5 authorizes a public agency's governing body to adopt a resolution declaring that a person who performs voluntary service without pay for the agency to be deemed an employee of the agency for purposes of the workers' compensation coverage. CSAC-EIA's Excess Workers Compensation Program provides coverage for volunteers if the Santa Cruz METRO adopts a resolution stating volunteers will be covered by workers' compensation and if the METRO provides a copy of its resolution to CSAC-EIA. If the Board of Director's declines to pass the resolution, volunteers to METRO could be precluded from obtaining workers' compensation benefits. Rather they would have to file a tort claim and pursue civil litigation to obtain remuneration for personal injuries they sustain while volunteering for METRO.

IV. FINANCIAL CONSIDERATIONS

The annual premium is \$82,582.

V. ATTACHMENTS

- Attachment A:** Excess Workers' Compensation Coverage, Term and Limits of Liability
- Attachment B:** Joint Powers Agreement Creating the California Public Entity Insurance Authority
- Attachment C:** California Public Entity Insurance Authority Excess Workers' Compensation Program Memorandum of Understanding
- Attachment D:** Resolution designating volunteers as employees for purposes of providing workers' compensation coverage

**CSAC EXCESS INSURANCE AUTHORITY (CSAC EIA)
EXCESS WORKERS' COMPENSATION PROGRAM
Via
CALIFORNIA PUBLIC ENTITY INSURANCE AUTHORITY (CPEIA)**

INDICATION

COVERED PARTY:	Santa Cruz Metropolitan Transit District
COVERAGE PROVIDED BY:	CSAC Excess Insurance Authority, reinsured by American Re-Insurance Company (Munich Re Group), Renaissance Reinsurance Limited, and DaVinci Reinsurance Ltd.
BEST'S GUIDE RATING:	CSAC EIA: Not Applicable American Re: A+ (Group) Superior, Financial Size Category 15, \$2 Billion or more Renaissance Re: A+, Superior, Financial Size Category 12, \$1 Billion to \$1.25 Billion DaVinci Re: A, Excellent, Financial Size Category 10, \$500 Million to \$750 Million
STANDARD & POOR'S RATING:	CSAC EIA: Not applicable American Re: AA-, Very Strong Renaissance Re: Not Rated DaVinci Re: Not Rated
CALIFORNIA STATUS:	CSAC EIA: Not applicable American Re: Not applicable (reinsurance) Renaissance Re: Not applicable (reinsurance) DaVinci Re: Not applicable (reinsurance)
COVERAGE TERM:	October 24, 2003 to July 1, 2004
COVERAGE:	Per the CSAC Excess Insurance Authority Excess Workers' Compensation Program Memorandum of Coverage. Coverage includes: <ul style="list-style-type: none">➤ Industrial Aid Aircraft, 120 day reporting of new craft over 8 seats➤ Jones Act➤ USL&H Incidental Operations➤ Other States➤ Volunteers and Board Members (subject to Board resolution)
LIMITS OF LIABILITY:	<u>Pooled Retention</u> \$ 5,000,000 Workers' Compensation and Employers Liability each occurrence (difference between \$5,000,000 and the Covered Party's SIR) <u>Reinsured Layer</u> \$ 45,000,000 Workers' Compensation each occurrence excess of \$5,000,000 Pooled Retention. Includes \$5,000,000 Employers Liability Excess of \$5,000,000 Pooled Retention. <u>As Respects All Layers</u> <ul style="list-style-type: none">➤ Limits apply per occurrence for all program members combined➤ \$10,000,000 sub-limit for Terrorism➤ Limits are eroded by allocated claims expense

NOTE: THIS PROPOSAL IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT AMEND, EXTEND OR ALTER THE POLICY IN ANY WAY. PLEASE REFER TO THE POLICY FORM FOR COMPLETE COVERAGE AND EXCLUSION INFORMATION.

**CSAC EXCESS INSURANCE AUTHORITY (CSAC EIA)
EXCESS WORKERS' COMPENSATION PROGRAM
Via
CALIFORNIA PUBLIC ENTITY INSURANCE AUTHORITY (CPEIA)**

INDICATION

**SELF INSURED
RETENTION:**

\$ 500,000 SIR Per Occurrence

Self Insured Retention is eroded by allocated claims expense

MAJOR EXCLUSIONS:

- War
- Nuclear
- Absolute Terrorism (excess of \$10,000,000 sub-limit)
- Punitive or exemplary damages, fines or penalties
- Contractual Liability
- L.C. 4850 benefits
- L.C. 4856 benefits
- Any payments in excess of the benefits regularly provided by the Workers' Compensation law

**2003-2004 ESTIMATED
ANNUAL PAYROLL**

\$ 14,330,113

**ESTIMATED ANNUAL
PREMIUM:**

<u>Annual Premium</u>	
\$ 54,081	Pool Premium (Deposit)*
16,426	Reinsurance Premium (Minimum & Deposit)* - Indication
4,322	EIA Administration Fee
353	CPEIA Fee
7,051	Broker Fee
<u>350</u>	Program Development Fee
\$ 82,582	Total Estimated Annual Premium

Pro Rated Premium – Pro Rata Factor of .685

\$ 37,045	Pool Premium (Deposit)*
11,252	Reinsurance Premium (Minimum & Deposit)* - Indication
2,961	EIA Administration Fee
242	CPEIA Fee
4,830	Broker Fee
<u>350</u>	Program Development Fee
\$ 56,680	Total Estimated Annual Premium

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**CSAC EXCESS INSURANCE AUTHORITY (CSAC EIA)
EXCESS WORKERS' COMPENSATION PROGRAM
Via
CALIFORNIA PUBLIC ENTITY INSURANCE AUTHORITY (CPEIA)**

INDICATION

***PREMIUM AUDIT** Pool premiums and certain layers of the reinsurance premium are auditable and adjustable at June 30, 2004 based on actual payroll

CONDITIONS:

- Premium is subject to change.
- Premium includes Loss Prevention Subsidy
- Premium includes Actuarial Subsidy
- Premium includes cost for claim audit requirement
- Subject to:
 - The Covered Party obtaining appropriate loss prevention services. A detailed description of the services to be provided is due to the EIA within 30 days of binding.
 - Claims audit to be conducted in first year of participation
 - Receipt of a copy of the Covered Party's self insurance certificate
 - Receipt of the executed JPA agreement and EWC MOU prior to binding

BROKER: **DRIVER ALLIANT INSURANCE SERVICES INC.**

Gordon DesCombes – Senior Vice President
Nazie Arshi – First Vice President
Matt Gowan – Assistant Vice President
Hope Spearow – Account Administrator

PROPOSAL DATE: September 30, 2003

This indication will expire 30 days from the proposal date.

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CSAC EXCESS INSURANCE AUTHORITY (CSAC EIA)
EXCESS WORKERS' COMPENSATION PROGRAM
Via
CALIFORNIA PUBLIC ENTITY INSURANCE AUTHORITY (CPEIA)

INDICATION

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations.

Insurance brokerages such as Driver Alliant typically rely upon rating agencies for this type of market analysis. Both *A.M. Best and **Standard and Poor have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

*A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com.

**For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

To learn more about companies doing business in California, visit the California Department of Insurance website at www.insurance.ca.gov

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**JOINT POWERS AGREEMENT
CREATING THE
CALIFORNIA PUBLIC ENTITY INSURANCE AUTHORITY**

This Agreement is executed in the State of California by and among those public agencies organized and existing under the Constitution of the State of California, which are parties signatory to this Agreement. All such agencies which become members shall be listed in Appendix A, attached hereto and made a part hereof.

RECITALS

WHEREAS, Article 1, Chapter 5, Division 7, Title 1 of the California Government Code (section 6500 et seq.) permits two or more public agencies by agreement to exercise jointly powers common to the contracting parties; and

WHEREAS, the public agencies executing this Agreement desire to join together for the purpose of jointly funding, purchasing and/or establishing insurance and risk management programs as determined; and

WHEREAS, Article 16, Section 6 of the California Constitution provides that insurance pooling arrangements under joint exercise of power agreements shall not be considered the giving or lending of credit as prohibited therein; and

WHEREAS, California Government Code Section 990.4 provides that a local public entity may self-insure, purchase insurance through an authorized carrier, or purchase insurance through a surplus line broker, or any combination of these; and

WHEREAS, California Government Code Section 990.6 provides that the cost of insurance is a proper charge against the local public entity; and

WHEREAS, California Government Code Section 990.8 provides that two or more local public entities by a joint powers agreement may provide insurance by any one or more of the methods specified in Government Code Section 990.4, and the pooling of self-insured claims or losses is not considered insurance nor subject to regulation under the Insurance Code; and

WHEREAS, California Government Code Section 990.8 also provides that a joint powers agreement may provide that if any peril insured or covered under a contract has existed and the joint powers authority or other parties participating in the pool have been liable for any period, the agreement may provide that the insured or covered party is not entitled to the return of premiums, contributions, payments, or advances so far as the particular risk insured or covered is concerned;

NOW THEREFORE, the parties agree as follows:

ARTICLE 1. DEFINITIONS

- “Authority” or “CPEIA” shall mean the California Public Entity Insurance Authority created by this Agreement.
- “Authority Program” or “CPEIA separate Program” shall mean a program authorized by the Board and apart from a program of the EIA.
- “Board of Directors” or “Board” shall mean the governing body of the Authority.
- “Excess Insurance Authority” or “EIA” shall mean the CSAC Excess Insurance Authority.
- “EIA Program” shall mean a program established by the EIA that is made accessible to the Authority and in which the Board may authorize Authority participation.
- “Fiscal Year” shall mean that period of twelve (12) months which is established by the Board as the fiscal year of the Authority.
- “Government Code” shall mean the California Government Code.
- “Insurance program” or “Program” shall mean a program of the Authority under which a participating member or other public entity is protected against designated losses, either through joint purchase of primary or excess insurance, pooling of self-insured claims or losses, purchased insurance or reinsurance or any other combination as determined by the Board. The Board may determine applicable criteria for determining eligibility in any program, as well as establishing program policies and procedures.

“Joint Powers Law”	shall mean Article 1, Chapter 5, Division 7, Title 1 (commencing with section 6500) of the Government Code.
“Memorandum of Understanding” or “MOU”	shall mean a document executed by a member setting forth provisions for program coverage or establishing a program of the Authority or otherwise providing for implementation of the provisions of this Agreement.
“Participating Member” or “Member”	shall mean any public agency, which has entered a program of the [or, which has obtained insurance coverage through the] Authority pursuant to this Agreement and has not withdrawn or been canceled therefrom.
“Public Agency”	shall also mean “public entity.”
“Reinsurance”	shall mean insurance purchased by the Authority as part of an insurance program to cover that portion of any loss that exceeds the joint funding capacity of that program.
“Self-Insured Retention” or “SIR”	shall mean that portion of a loss resulting from an occurrence experienced by a member that is retained as a liability or potential liability of the member and is not subject to payment by the Authority.

ARTICLE 2. PURPOSES

This Agreement is entered into by the members in order to jointly develop and fund insurance and other related programs as determined by members and other public entities wishing to participate in such programs or obtain services. Programs may be either EIA Programs or Authority Programs and may include, but are not limited to, the creation of joint insurance funds, including excess insurance funds, the pooling of self-insured claims and losses, purchased insurance, including reinsurance, and the provision of necessary administrative and other services. Such services may include, but shall not be limited to, risk management

consulting, loss prevention and control, centralized loss reporting, actuarial consulting, claims adjusting and legal defense services.

ARTICLE 3. PARTIES TO THE AGREEMENT

(a) Each member, as a party to this Agreement, certifies that it intends to and does contract with all other members as parties to this Agreement and, with such other members as may later be added as parties to this Agreement pursuant to Article 18 as to all programs in which the member participates. Each member also certifies that the removal of any party from this Agreement, pursuant to Articles 19 and 20, shall not affect this Agreement or the member's obligations hereunder.

(b) Should any conflict arise between the provisions of this Article and any applicable Memorandum of Understanding or other similar document evidencing coverage, such Memorandum of Understanding or other document shall prevail.

ARTICLE 4. TERM

This Agreement shall become effective when executed and returned to the Authority within thirty (30) days after execution by at least two (2) public agencies. The Authority shall promptly notify all members in writing of the effective date of this Agreement. This Agreement shall remain in effect until terminated as provided herein.

ARTICLE 5. CREATION OF THE AUTHORITY

Pursuant to the joint powers law there is hereby created a public entity separate and apart from the parties hereto, to be known as the California Public Entity Insurance Authority, with such powers as are hereinafter set forth.

ARTICLE 6. ACCOUNTABILITY AND REPORTS

The Authority, pursuant to Government Code Section 6505, shall provide for strict accountability of all funds and report of all receipts and disbursements. The auditor or controller

of the Authority shall contract with a certified public accountant to perform an annual audit of the accounts and records of the Authority.

ARTICLE 7. POWERS OF THE AUTHORITY

The Authority shall have all of the powers common to its members and all additional powers as set forth in the joint powers law, and it is hereby authorized to do all acts necessary in the exercise of said powers. Such powers include, but are not limited to, the following:

- (a) To make and enter into contracts.
- (b) To employ agents and employees.
- (c) To incur debts, liabilities and obligations.
- (d) To acquire, hold, or dispose of property, contributions and donations of property, funds, services and other forms of assistance from persons, firms, corporations and public agencies.
- (e) To sue and be sued in its own name and to settle any claim against it.
- (f) To receive and use contributions and advances from members as provided in Government Code Section 6504, including contributions or advances of personnel, equipment or property.
- (g) To invest any money in its treasury that is not required for its immediate necessities, pursuant to Government Code Section 6509.5.
- (h) To carry out all provisions of this Agreement

Said powers shall be exercised pursuant to the terms hereof and in the manner provided by law.

ARTICLE 8. BOARD OF DIRECTORS

The Authority shall be governed by a Board of Directors, which shall consist of the eleven (11) members. Beginning on July 1, 2001, the members shall consist of the nine (9) voting members of the EIA Executive Committee, plus two (2) representatives of parties to the Agreement appointed by the Board. As of January 1, 2002, the Board shall consist of seven (7) voting members of the EIA Executive Committee to be selected by the EIA Executive Committee, plus four (4) representatives of parties to the Agreement to be elected by the CPEIA members in a manner prescribed in the Bylaws.

As of January 1, 2003 the Board shall consist of five (5) EIA Executive Committee members and six (6) elected CPEIA members. As of January 1, 2004, the Board shall consist of two (2) EIA members and nine (9) elected CPEIA members. As of January 1, 2004, the membership of the Board shall remain the same unless otherwise amended by this Agreement. If at any time sufficient CPEIA members are not available to fill their designated slots, then the EIA Executive Committee shall fill vacant positions from their own membership until the next annual election. The Board, through adoption or amendment of its Bylaws, may designate certain positions of the Board members to be from designated entities (for example, three (3) from Joint Powers Authorities, three (3) from cities, three (3) from other entities.).

Seven (7) members of the Board shall constitute a quorum for the transaction of business. Each Board member shall have one vote. Except as otherwise provided in this Agreement or any other duly executed agreement of the participating members, action by the Board shall require an affirmative vote of a majority of the member present and voting.

At any meeting at which a quorum is initially present the Board may continue to transact business notwithstanding the withdrawal of enough members to leave less than a quorum, provided that no action shall be valid or binding unless approved by a majority of the members of the Board.

ARTICLE 9. POWERS OF THE BOARD OF DIRECTORS

The Board of Directors shall have the following powers and functions:

(a) The Board shall exercise all powers and conduct all business of the Authority, either directly or by delegation to other bodies or persons unless otherwise prohibited by this Agreement, or any other duly executed agreement of the member or by law.

(b) The Board of Directors may adopt such resolutions as deemed necessary in the exercise of those powers and duties set forth herein.

(c) The Board, in accordance with Article 12 of the Agreement, may create those committees it deems appropriate to carry out the work of the Authority. The Board may designate those committees that are advisory only, and may from time to time provide powers and duties to any committee, as the board deems appropriate. The committees may develop, evaluate and review all matters pertaining to the business of the Authority, as well as any of its

programs and services. The powers and duties so delegated shall be specified in resolutions adopted by the Board or otherwise set forth in the Bylaws.

(d) The membership of any such committee may consist in whole or in part of persons who are not members of the Board.

(e) The Board may appoint or employ necessary staff in accordance with Article 13.

(f) The Board shall cause to be prepared, and shall review, modify as necessary, and adopt the annual operating budget of the Authority. Adoption of the budget may not be delegated.

(g) The Board shall develop, or cause to be developed, and shall review, modify as necessary, and adopt each program of the CPEIA, including all provisions for reinsurance and administrative services necessary to carry out such program and the Board shall determine those programs of the EIA that will be available to members of CPEIA

(h) The Board shall provide for necessary services to the Authority and to members, by contract or otherwise, which may include, but shall not be limited to, staff, risk management consulting, loss prevention and control, centralized loss reporting, actuarial consulting, claims adjusting, and legal services.

(i) The Board shall provide general supervision and policy direction to the staff.

(j) The Board shall receive and act upon reports of the committees and the staff.

(k) The Board shall act upon each claim involving liability of the CPEIA, directly or by delegation of authority to a committee, body or person, provided, that the Board shall establish monetary limits upon any delegation of claims settlement authority, beyond which a proposed settlement must be referred to the Board for approval.

(l) The Board may require that the Authority review, audit, report upon, and make recommendations with regard to the safety or claims administration functions of any member, insofar as those functions affect the liability or potential liability of the Authority. The Board may forward any or all such recommendations to the member with a request for compliance and a statement of potential consequences for noncompliance.

(m) The Board shall receive, review and act upon periodic reports and audits of the funds of the Authority, as required under Article 16 of this Agreement.

(n) The Board may, upon consultation with a casualty actuary, declare that any funds established for any CPEIA program has a surplus of funds and determine a formula to return such surplus to the participating members that have contributed to such fund.

(o) The Board shall have such other powers and duties as are reasonably necessary to carry out the purposes of the Authority.

ARTICLE 10. MEETINGS OF THE BOARD OF DIRECTORS

(a) The Board shall hold at least two (2) meetings each year and shall provide for such other meetings and for such special meetings, as it deems necessary.

(b) The staff of the Authority shall provide for the keeping of minutes of regular and special meetings of the Board, and shall provide a copy of the minutes to each member of the Board at the next scheduled meeting.

(c) All meetings of the Board and such committees as established by the Board pursuant to Article 12 herein, shall be called, noticed, held and conducted in accordance with the provisions of Government Code Section 54950 et seq.

ARTICLE 11. OFFICERS

The President and Vice President of the Board shall be selected as provided in the Bylaws and shall serve for one-year terms.

The President, or in his or her absence, the Vice President, shall preside at and conduct all meetings of the Board.

ARTICLE 12. COMMITTEES

The Board of Directors may establish committees, as it deems appropriate to conduct the business of the Authority. Members of the committees shall be appointed by the Board, to serve two-year terms in accordance with the Bylaws. The members of each committee shall annually select one of their members to chair the Committee.

Each committee shall be composed of at least five members and shall have those duties as determined by the Board, or as otherwise set forth in the Bylaws.

Each committee shall meet on the call of its chair, and shall report to the Board.

ARTICLE 13. STAFF

(a) Principal Staff. The following staff members shall be provided by the EIA to the Authority as set forth in the Joint Powers Agreement between the EIA and CPEIA, which provisions are incorporated herein by reference:

(1) General Manager/Secretary/Treasurer. The General Manager/Secretary/Treasurer shall administer the business and activities of the Authority, subject to the general supervision and policy direction of the Board of Directors; shall be responsible for all minutes, notices and records of the Authority and shall perform such other duties as are assigned by the Board.

(2) Treasurer. Pursuant to Government Code Section 6505.6, the Board shall use the Treasurer of the EIA, who shall comply with the provisions of Government Code Section 6505.5 (a-d).

(3) Auditor. The Auditor shall draw warrants to pay demands against the Authority when approved by the Treasurer. Pursuant to Government Code Section 6505.6, the Board shall use the Auditor of the EIA, who shall comply with the provisions of Government Code Section 6505.5 (a-d).

(b) Other Staff. The Board or General Manager/Secretary shall provide for the appointment of such other staff as may be necessary for the administration of the Authority.

ARTICLE 14. DEVELOPMENT, FUNDING AND IMPLEMENTATION OF PROGRAMS

(a) Access to the EIA's programs and services shall be made available to public entities and members as is more particularly set forth in the Joint Powers Agreement between the EIA and CPEIA. CPEIA programs and services may be established by the Board, the details of which will be outlined in a Memorandum of Understanding.

(b) Program Coverage. Programs may include CPEIA Programs and EIA Programs both of which may provide coverage, including, but not limited to, excess or primary insurance coverage for:

- (1) Workers' compensation;
- (2) Comprehensive liability, including but not limited to general, personal injury, contractual, public officials errors and omissions, and incidental malpractice liability;

- (3) Comprehensive automobile liability;
- (4) Health facilities professional liability;
- (5) Property and related programs;

and may provide any other coverages authorized by the Board of Directors.

(c) EIA Programs. CPEIA members participating in EIA programs shall execute a Memorandum of Understanding (MOU) for each EIA program in which they are a participant. Such MOU(s) may provide for, but not be limited to, program funding, Authority funding, development charges, annual premium, premium surcharge, implementation and effective date, late entry into program, administration of claims, underwriting and claims administration standards, and program withdrawal or cancellation.

CPEIA members participating in EIA Programs shall fund program charges, program administrative costs and general administrative costs in accordance with the equitable allocation formula developed and approved by the EIA.

(d) CPEIA Programs. Members participating in CPEIA programs shall execute a MOU for each CPEIA Program in which they are a participant. Such MOU(s) may provide for, but not be limited to, program funding, Authority funding, development charges, annual premium, premium surcharge, implementation and effective date, late entry into program, administration of claims, underwriting and claims administration standards, and program withdrawal or cancellation.

Members participating in CPEIA Programs shall fund program charges, program administrative costs and general administrative costs in accordance with an equitable allocation formula developed and approved by the Board of Directors.

ARTICLE 15. ACCOUNTS AND RECORDS

(a) Annual Budget. The Authority shall annually adopt an operating budget pursuant to Article 9 of this Agreement, which shall include a separate budget for each program under development or adopted and implemented by the Authority.

(b) Funds and Accounts. The Auditor of the Authority shall establish and maintain such funds and accounts as may be required by good accounting practices and by the Board of Directors. Separate accounts shall be established and maintained for each program under development or adopted and implemented by the Authority. Books and records of the Authority

in the hands of the Auditor shall be open to inspection at all reasonable times by authorized representatives of the members.

The Authority shall adhere to the standard of strict accountability for funds set forth in Government Code Section 6505.

(c) Auditor's Report. The Auditor, within one hundred and twenty (120) days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Board and to each member.

(d) Annual Audit. Pursuant to Government Code Section 6505, the Authority shall either make or contract with a certified public accountant to make an annual fiscal year audit of all accounts and records of the Authority, conforming in all respects with the requirements of that section.

ARTICLE 16. RESPONSIBILITIES FOR FUNDS AND PROPERTY

(a) The Treasurer shall have the custody of and disburse the Authority's funds. He or she may delegate disbursing authority to such persons as may be authorized by the Board of Directors to perform that function, subject to the requirements of (b) below.

(b) Pursuant to Government Code Section 6505.5, the Treasurer shall:

(1) Receive and acknowledge receipt for all funds of the Authority and place them in the treasury of the Treasurer to the credit of the Authority.

(2) Be responsible upon his or her official bond for the safekeeping and disbursements of all Authority funds so held by him or her.

(3) Pay any sums due from the Authority, as approved for payment by the Board of Directors or by any body or person to whom the Board has delegated approval authority, making such payments from Authority funds upon warrants drawn by the Auditor.

(4) Verify and report in writing to the Authority and to members, as of the first day of each quarter of the fiscal year, the amount of money then held for the Authority, the amount of receipts since the last report, and the amount paid out since the last report.

(c) Pursuant to Government Code Section 6505.1, the General Manager/Secretary/Treasurer, and such other persons as the Board of Directors may designate shall have charge of, handle, and have access to the property of the Authority.

(d) The Authority shall secure and pay for a fidelity bond or bonds, in an amount or amounts and in the form specified by the Board of Directors, covering all officers and staff of the Authority, and all officers and staff who are authorized to have charge of, handle, and have access to property of the Authority.

ARTICLE 17. RESPONSIBILITIES OF MEMBERS

Members shall have the following responsibilities under this Agreement.

(a) Each member shall appoint an officer or employee of the entity to be responsible for the risk management function for that member and to serve as a liaison between the member and the Authority for all matters relating to risk management.

(b) Each member shall maintain an active safety program, and shall consider and act upon all recommendations of the Authority concerning the reduction of unsafe practices.

(c) Each member shall provide the Authority such other information or assistance as may be necessary for the Authority to develop and implement insurance programs under this Agreement.

(d) Each member shall cooperate with and assist the Authority, the EIA, and any insurer of the Authority or EIA, in all matters relating to this Agreement, and shall comply with all Bylaws, and other rules adopted by the Board of Directors.

(e) Each member shall have such other responsibilities as are provided elsewhere in this Agreement, program MOU(s), and Bylaws, and as are established by the Board of Directors in order to carry out the purposes of this Agreement.

ARTICLE 18. NEW MEMBERS

Any non-member may become a party to this Agreement and participate in any CPEIA Program in which it is not presently participating upon approval of the Board of Directors, by a majority vote of the Board. For participation in an EIA Program, approval by the EIA in a manner prescribed by the EIA shall also be required.

ARTICLE 19. WITHDRAWAL

A member, after becoming a participant in a program of the Authority, may withdraw from that program only at the end of a policy year for the program, and only if it gives the Authority at least sixty (60) days advance written notice of such action.

ARTICLE 20. CANCELLATION

(a) Notwithstanding the provisions of Article 19, the Board of Directors may:

(1) Cancel any member from this Agreement and membership in the Authority, on a vote of two-thirds of the Board members present and voting. Such action shall have the effect of canceling the member's participation in all CPEIA Programs and EIA Programs as of the date that all membership is canceled.

(2) Cancel any member's participation in a CPEIA or EIA Program, without canceling the member's membership in the Authority or participation in other programs, on a vote of two-thirds of the Board members present and voting.

The Board shall give sixty (60) days advance written notice of the effective date of any cancellation under the foregoing provisions. Upon such effective date, the member shall be treated the same as if it had voluntarily withdrawn from this Agreement, or from the program, as the case may be.

(b) A member which withdraws from all programs of the Authority in which it was a participant and does not enter any program for a period of six (6) months thereafter shall be considered to have withdrawn from the Agreement at the end of such period, and its membership in the Authority shall be automatically canceled as of that time, without action of the Board of Directors.

ARTICLE 21. EFFECT OF WITHDRAWAL OR CANCELLATION

(a) If a member's participation in a program is canceled under Article 20, with or without cancellation of membership in the Authority, and such cancellation is effective before the end of the policy year for that program, the Authority shall promptly determine and return to that member the amount of any unearned premium payment from the member for the policy year, such amount to be computed on a pro-rata basis from the effective date of cancellation.

(b) Except as provided in (a) above, a member which withdraws or is canceled from this Agreement and membership in the Authority, or from any CPEIA or EIA program, shall not be entitled to the return of any premium or other payment to the Authority, or of any property contributed to the Authority. However, in the event of termination of this Agreement, such member may share in the distribution of assets of the Authority to the extent provided in Article 22 provided; however, that any withdrawn or canceled member which has been assessed a premium surcharge pursuant to any Memorandum of Understanding shall be entitled to return of said member's unused surcharge, plus interest accrued thereon, at such time as the Board of Directors declares that a surplus exists in any insurance fund for which a premium surcharge was assessed.

(c) Except as provided in (d) below, a withdrawn or cancelled member shall pay any premium charges which the Board of Directors determines are due from the member for losses and costs incurred during the entire coverage year in which the member was a participant in such program regardless of the date of entry into such program. Such charges may include any deficiency in a premium previously paid by the member, any premium surcharge assessed to the member under an MOU; and any additional amount of premium which the Board determines to be due from the withdrawn or cancelled member upon final disposition of all claims arising from losses under the program during the entire coverage year in which the member was a participant regardless of date of entry into such program. Any such premium charges shall be payable by the member in accordance with the Authority's invoice and payment policy.

(d) Those members which who have withdrawn or been canceled pursuant to Articles 19 and 20 from any program of the Authority during a coverage year shall pay any premium charges which the Board of Directors determines are due from the members for losses and costs which were incurred during the member's participation in any program or as otherwise defined in any program MOU.

ARTICLE 22. TERMINATION AND DISTRIBUTION OF ASSETS

(a) This Agreement may be terminated by three-fourths of the members, acting through their governing bodies; provided, however, that this Agreement and the Authority shall continue to exist after such election for the purpose of disposing of all claims, distributing all assets, and performing all other functions necessary to conclude the affairs of the Authority.

(b) Upon termination of this Agreement, all assets of the Authority in each program shall be distributed among those members that participated in that program in proportion to their cash contributions, including premiums paid and property contributed (at market value when contributed). The Board of Directors shall determine such distribution within six (6) months after disposal of the last pending claim or other liability covered by the program.

(c) Following termination of this Agreement, any member who was a participant in a program of the Authority shall pay any additional amount of premium, determined by the Board of Directors in accordance with a loss allocation formula, which may be necessary to enable final disposition of all claims arising from losses under that program in accordance with an applicable MOU.

(d) Termination of this Agreement by any party shall not be construed as a completion of the purposes of the Agreement and shall not require the repayment or return to the parties of all or any portion of any contributions, payments, or advances made by the parties until the Agreement is rescinded or terminated as to all parties.

ARTICLE 23. LIABILITY OF BOARD OF DIRECTORS, OFFICERS, COMMITTEE MEMBERS AND LEGAL ADVISORS

The members of the Board of Directors, Officers, committee members and legal advisors to any Board or committees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. They shall not be liable for any mistake of judgment or any other action made, taken or omitted by them in good faith, nor for any action taken or omitted by any agent, employee or independent contractor selected with reasonable care, nor for loss incurred through investment of Authority funds, or failure to invest.

No Director, Officer, committee member, or legal advisor to any Board or committee shall be responsible for any action taken or omitted by any other Director, Officer, committee member, or legal advisor to any committee. No Director, Officer, committee member or legal advisor to any committee shall be required to give a bond or other security to guarantee the faithful performance of their duties pursuant to this Agreement.

The funds of the Authority shall be used to defend, indemnify and hold harmless the Authority and any Director, Officer, committee member or legal advisor to any committee for

their actions taken within the scope of the authority of the Authority. Nothing herein shall limit the right of the Authority to purchase insurance to provide such coverage, as is hereinabove set forth.

ARTICLE 24. BYLAWS

The Board may adopt Bylaws consistent with this Agreement, which shall provide for the administration and management of the Authority.

ARTICLE 25. NOTICES

The Authority shall address notices, billings and other communications to a member as directed by the member. Each member shall provide the Authority with the address to which communications are to be sent. Members shall address notices and other communications to the Authority to the General Manager/Secretary of the Authority, at the office address of the Authority as set forth in the Bylaws.

ARTICLE 26. AMENDMENT

This Agreement may be amended by a two-thirds (2/3) vote of the Board following a ninety (90) day review and comment period during which time proposed amendments shall be circulated to the members of the CPEIA and approved by the EIA Executive Committee. After five (5) years from the date of this Agreement, approval of the EIA Executive Committee shall no longer be needed for amendment of this Agreement.

ARTICLE 27. PROHIBITION AGAINST ASSIGNMENT

No member may assign any right, claim or interest it may have under this Agreement, and no creditor, assignee or third party beneficiary of any member shall have any right, claim or title to any part, share, interest, fund, premium or asset of the Authority.

ARTICLE 28. AGREEMENT COMPLETE

This Agreement constitutes the full and complete Agreement of the parties.

ARTICLE 29. EFFECTIVE DATE OF AMENDMENTS

Any amendment of this Agreement shall become effective upon the approval of any Amended Agreement by the Board of Directors as set forth in Article 26.

ARTICLE 30. DISPUTE RESOLUTION

When a dispute arises between the Authority and a member, the following procedures are to be followed:

(a) Request for Reconsideration. The member will make a written request to the Authority or the appropriate Committee to reconsider its position, citing the arguments in favor of the member and any applicable case law that applies. The member can also request a personal presentation to that Committee, if it so desires.

(b) Committee Appeal. The committee responsible for the program or having jurisdiction over the decision in question will review the matter and reconsider the Authority's position. This committee appeal process is an opportunity for both sides to discuss and substantiate their positions based upon legal arguments and the most complete information available. If the member requesting reconsideration is represented on the committee having jurisdiction, that committee member shall be deemed to have a conflict and shall be excluded from any vote.

(c) Board of Directors Appeal. If the member is not satisfied with the outcome of the committee appeal, the matter will be brought to the Board of Directors for reconsideration upon request of the member. If the member requesting reconsideration is represented on the Board, that Board member shall be deemed to have a conflict and shall be excluded from any vote.

(d) Arbitration. If the member is not satisfied with the outcome of the Board of Directors appeal, the next step in the appeal process is arbitration. The arbitration may be binding or non-binding, as mutually agreed upon by the parties. The matter will be submitted to a mutually-agreed-upon arbitrator or panel of arbitrators for a determination. If binding arbitration is selected, the decision of the arbitrator or panel of arbitrators will be final and conclusive and the member and the Authority will abide by the decision of the arbitrator. The cost of arbitration will be shared equally by the involved member and the Authority.

(e) Litigation. If, after following the dispute resolution procedure set forth in paragraphs (a)-(d) above, either party is not satisfied with the outcome of the non-binding arbitration process, either party may consider litigation as a possible remedy to the dispute.

ARTICLE 31. FILING WITH SECRETARY OF STATE

The General Manager/Secretary of the Authority shall file a notice of this Agreement with the office of California Secretary of State within 30 days of its effective date, as required by Government Code Section 6503.5 and within 70 days of its effective date as required by Government Code Section 53051.

IN WITNESS WHEREOF, the undersigned party hereto has executed this Agreement on the date indicated below.

DATE: _____

BY: _____
MEMBER



**CALIFORNIA PUBLIC ENTITY INSURANCE AUTHORITY
EXCESS WORKERS' COMPENSATION PROGRAM
MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding (hereafter "MEMORANDUM") is entered into by and between the California Public Entity Insurance Authority (hereafter "CPEIA"), the CSAC Excess Insurance Authority (hereafter "EIA") and the participating public entities (hereafter "MEMBERS") who are signatories to this MEMORANDUM.

1. **JOINT POWERS AGREEMENT.** Except as otherwise provided herein, all terms used shall be as defined in Article 1 of the Joint Powers Agreement Creating the CPEIA (hereafter "AGREEMENT"), and all other provisions of the AGREEMENT not in conflict with this MEMORANDUM shall apply.
2. **PURPOSE.** CPEIA MEMBERS are signatories to this MEMORANDUM for the express purpose of joining the EIA's Excess Workers' Compensation (EWC) Program (hereafter "PROGRAM"). Under this PROGRAM, CPEIA EWC MEMBERS shall be considered to be one (1) MEMBER for purposes of participating in the PROGRAM.
3. **ENTRY INTO PROGRAM.** Any public entity wishing to become a MEMBER of the PROGRAM shall make application to and be approved by the CPEIA Board of Directors in a manner prescribed by them and must also be approved by the EIA Board of Directors (hereafter "EIA BOARD") in a manner prescribed by the EIA BOARD.
4. **PROGRAM DEVELOPMENT.** MEMBERS shall be charged a \$350.00 program development charge that shall be a one-time charge assessed upon entry into the PROGRAM.
5. **ANNUAL PREMIUM.** Participating MEMBERS shall be assessed an annual premium for the purpose of funding the PROGRAM. Premiums for the PROGRAM shall be established annually in conjunction with the insurance carriers. Premiums to CPEIA EWC MEMBERS shall be billed and paid annually in accordance with the EIA's Invoicing and Payment Policy (Resolution 94-003). Premium rates shall be established based upon factors that include, but are not limited to, negotiations with insurance carriers, expenditures, administrative costs and other appropriate factors.

6. **COST ALLOCATION.** Each participating MEMBER'S share of annual premium shall be determined by the EIA BOARD.

7. **ASSESSMENTS, DIVIDENDS AND PREMIUM SURCHARGE.**

- (a) **Assessments.** The PROGRAM shall be funded in accordance with paragraph 5 above. In general, the annual premium, as determined by the EIA BOARD, will be established at a level that will provide adequate overall funding without the need for adjustments to past policy period(s) in the form of dividends and assessments. However, should the PROGRAM for any reason not be adequately funded, except as otherwise provided herein, pro-rata assessments to the participating MEMBERS may be utilized to ensure the approved funding level for those policy periods individually or for a block of policy periods, in accordance with the Premium Surcharge provision set forth below.
- (b) **Dividends.** Pro-rata dividends will be declared as provided herein. Dividends may also be declared as deemed appropriate by the EIA BOARD.
- (c) **Premium Surcharge.**
 - (i) If there are an unusually large number of losses under the PROGRAM during a policy year, such that notwithstanding reinsurance coverage for large individual losses, the funds for the PROGRAM may be exhausted before the next annual premiums are due, the EIA BOARD may, upon consultation with a casualty actuary, impose premium surcharges on all MEMBERS; or
 - (ii) If it is determined by the EIA BOARD, upon consultation with a casualty actuary, that the funds for the PROGRAM are insufficient to pay losses, fund known estimated losses, and fund estimated losses which have been incurred but not reported, the EIA BOARD may impose a surcharge on all participating MEMBERS.
 - (iii) Premium surcharges imposed pursuant to (i) and/or (ii) above shall be in an amount that will assure adequate funds for the PROGRAM to be actuarially sound. Premium surcharges shall be assessed in accordance with paragraph 8 below.
 - (iv) A MEMBER which is no longer participating in the PROGRAM at the time the premium surcharge is assessed shall pay such premium surcharges as it would have otherwise been assessed in accordance with the provisions of (i), (ii), and (iii) above.

8. **CLOSURE OF POLICY PERIODS.** Notwithstanding any other provision of this MEMORANDUM, the following provisions are applicable:

**Excess Workers' Compensation Program
Memorandum of Understanding
Adopted 06/01/01**

- (a) Upon reaching ten (10) years of maturity after the end of a program period, that period shall be "closed" and there shall be no further dividends declared or assessments made with respect to those program periods except as set forth in paragraphs 9(a) and 9(b), below.
 - (b) Notwithstanding sub-paragraph (a) above, the EIA BOARD may take action to leave a policy period "open" even though it may otherwise qualify for closure. In addition, the last ten (10) policy periods shall always remain "open" unless the EIA BOARD takes specific action to declare any of the last ten (10) policy periods closed.
 - (c) Dividends and assessments (other than as outlined in paragraphs 9(a) and 9(b), below) shall be administered to the participating MEMBER based upon the proportion of premiums paid to the PROGRAM in "open" periods only. For purposes of administering dividends and assessments pursuant to this sub-paragraph, all "open" policy periods shall be considered as one block.
9. **DECLARATION OF DIVIDENDS.** Dividends shall be payable from the PROGRAM to a participating MEMBER in accordance with its proportionate funding to the PROGRAM during the applicable program period as follows:
- (a) A dividend shall be declared at the time a program period is closed on all amounts over the 90% confidence level.
 - (b) A dividend shall be declared at the time a program period is closed on all amounts which represent premium surcharge amounts assessed pursuant to this MEMORANDUM where the funding exceeds the 80% confidence level.
10. **MEMORANDUM OF COVERAGE.** A Memorandum of Coverage will be issued by the EIA evidencing membership in the PROGRAM and setting forth terms and conditions of coverage.
11. **CLAIMS ADMINISTRATION AND RESPONSIBILITY FOR CLAIMS.**
- (a) Subject to subparagraph (e), each MEMBER shall be responsible for the investigation, settlement or defense, and appeal of any claim made, suit brought, or proceeding instituted against the MEMBER arising out of a loss.
 - (b) CPEIA EWC MEMBERS are required to comply with the EIA's Underwriting and Claims Administration Standards (including Addendum A—W.C. Claims Administration Guidelines) as amended from time to time, and which are attached hereto as Exhibit A and incorporated herein.
 - (c) Each participating MEMBER shall give the EIA timely written notice of claims in accordance with the policy established by the EIA.

**Excess Workers' Compensation Program
Memorandum of Understanding
Adopted 06/01/01**

- (d) A MEMBER shall not enter into any settlement involving liability of the EIA without the advance written consent of the EIA.
 - (e) The EIA, at its own election and expense, shall have the right to participate with a MEMBER in the settlement, defense, or appeal of any claim, suit or proceeding which, in the judgment of the EIA, may involve liability of the EIA.
12. **DISPUTES.** Any question or dispute with respect to the rights and obligations of the parties to this MEMORANDUM shall be determined by the EIA Executive Committee. If the MEMBER is not satisfied with the Committee's decision, the matter may be appealed through arbitration. Arbitration may be either binding or non-binding, as mutually agreed upon by the parties. The matter will be submitted to a mutually agreed upon arbitrator or panel of arbitrators for determination. If binding arbitration is selected, the decision of the arbitrator or panel of arbitrators will be final and conclusive, and the MEMBER and EIA will abide by the decision. The cost of arbitration will be shared equally by the MEMBER and the EIA.
 13. **AMENDMENT.** This MEMORANDUM may be amended by a majority vote of the EIA BOARD and signature on the MEMORANDUM by the MEMBER'S designated liaison who shall have authority to execute this MEMORANDUM. Any MEMBER that fails or refuses to execute an amendment to this MEMORANDUM shall be deemed to have withdrawn from the PROGRAM on the next annual renewal date.
 14. **WITHDRAWAL FROM THE PROGRAM.** Withdrawal of a MEMBER from the PROGRAM shall be in accordance with the withdrawal provisions of Article 19 of the AGREEMENT.
 15. **COMPLETE AGREEMENT.** Except as otherwise provided herein, this MEMORANDUM constitutes the full and complete agreement of the MEMBERS.
 16. **SEVERABILITY.** Should any provision of this MEMORANDUM be judicially determined to be void or unenforceable, such determination shall not affect any remaining provision.
 17. **EFFECTIVE DATE.** This MEMORANDUM shall become effective on the first effective date of coverage for the MEMBER and upon the approval by the EIA and CPEIA and the signing of this agreement by the MEMBERS, the General Manager/Secretary/Treasurer of the EIA and the President of the CPEIA.

18. **EXECUTION IN COUNTERPARTS.** This MEMORANDUM may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

In Witness Whereof, the undersigned have executed this MEMORANDUM as of the date set forth below.

CSAC Excess Insurance Authority

Dated: _____

By: _____

**California Public Entity
Insurance Authority**

Dated: _____

By: _____

**Santa Cruz Metropolitan
Transit District**

Dated: _____

By: _____

Adopted: December 6, 1985
Amended: January 23, 1987
Amended: October 6, 1995
Amended: October 1, 1999

EXHIBIT A
CSAC Excess Insurance Authority
Underwriting and Claims Administration Standards

I. GENERAL

- A. Each Member shall appoint an official or employee of the Entity to be responsible for the risk management function and to serve as a liaison between the Member and the Authority for all matters relating to risk management.
- B. Each Member shall maintain a loss prevention program and shall consider and act upon all recommendations of the Authority concerning the reduction of unsafe conditions.
- C. Each Member shall maintain records of claims in each category of insurance covered by a program of the Authority and shall provide copies of such records to the Authority as directed by the Executive, Underwriting or Claims Review Committees.

Such records shall provide the following information by fiscal year: number of claims (open and closed); amounts paid, amounts reserved and total incurred. Allocated expenses shall be included. If losses are capped, the excess amount shall be indicated.

II. EXCESS WORKERS' COMPENSATION PROGRAM

- A. The Member shall be responsible for the investigation, settlement, defense and appeal of any claim made, suit brought or proceeding instituted against the Member.
 - 1. The Member shall use only qualified personnel to administer its workers' compensation claims. At least one person in the claims office (whether in-house or outside administrator) shall be certified by the State of California as a qualified administrator of self-insured workers' compensation plans.

2. Qualified defense counsel experienced in workers' compensation law and practice shall handle litigated claims. Counties are encouraged to utilize attorneys who have the designation "Certified Workers' Compensation Specialist, the State Bar of California, Board of Legal Specialization".
 3. The Member shall use the Authority's Workers' Compensation Claims Administration Guidelines (Addendum A) and shall advise its claims administrator that these guidelines are utilized in the Authority's workers' compensation claims audits.
- B. The Member shall provide the Authority written notice of any potential excess workers' compensation claims in accordance with the requirements of the Authority's bylaws. Updates on such claims shall be provided as requested by the Authority and/or the Authority's excess carrier.
- C. A claims administration audit utilizing the Authority's Workers' Compensation Claims Administration Guidelines (Addendum A) shall be performed once every three (3) years. In addition, an audit will be performed within twelve (12) months of any of the following events:
1. There is an unusual fluctuation in the Member's claim experience or number of large claims or
 2. There is a change of workers' compensation claims administration firms or
 3. The Member is a new member of the Excess Workers' Compensation Program.
- The claims audit shall be performed by a firm selected by the Authority. Recommendations made in the claims audit shall be addressed by the Member and a written response outlining a program for corrective action shall be provided to the Authority within sixty (60) days of receipt of the audit.
- D. The Member shall obtain an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) at least once every three- (3) years. Based upon the actuarial recommendations, the Member should maintain reserves and make funding contributions equal to or exceeding the present value of expected losses and a reasonable margin for contingencies.

III. EXCESS LIABILITY PROGRAMS

- A. The Member shall be responsible for the investigation, settlement, defense and appeal of any claim made, suit brought or proceeding instituted against the Member.
1. The Member shall use only qualified personnel to administer its liability claims.
 2. Qualified defense counsel experienced in tort liability law shall handle litigated claims. Counties are encouraged to utilize defense counsel experienced in the subject at issue in the litigation.
 3. The Member shall use the Liability Claims Administration Guidelines (Addendum B) and shall advise its claims administrator that these guidelines be utilized in the Authority's liability claims audits.
- B. The Member shall provide the Authority written notice of any potential excess liability claim in accordance with the requirements of the Authority's bylaws. Updates on such claims shall be provided as requested by the Authority and/or the Authority's excess carrier.
- C. A claims administration audit utilizing the Authority's Liability Claims Administration Guidelines (Addendum B) shall be performed once every three (3) years. In addition, an audit will be performed within twelve (12) months of any of the following events:
1. There is an unusual fluctuation in the Member's claims experience or number of large claims or
 2. There is a change of liability claims administration firms or
 3. The Member is a new member of the Excess Liability Program.
- The claims audit shall be performed by a firm selected by the Authority. Recommendations made in the claims audit shall be addressed by the Member and a written response outlining a program for corrective action shall be provided to the Authority within sixty (60) days of receipt of the **audit**.
- D. The Member shall obtain an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) at least once every three- (3) years. Based upon the actuarial recommendations, the Member should maintain reserves and make funding contributions equal to or exceeding the present value of expected losses and a reasonable margin for contingencies.

IV. **PROPERTY PROGRAMS**

- A. The Member shall maintain appropriate records including a complete list of insured locations and schedule of values pertaining to all real property. Copies of such records shall be provided to the Authority or its brokers as requested by the Executive or Property Committees.
- B. Each Member shall perform a real property replacement valuation for all locations over one million dollars. Valuations shall be equivalent to the Marshall Swift system and shall be performed at least once every five- (5) years. New members shall have an appraisal or valuation performed within one year from entry into the program.

V. **MEDICAL MALPRACTICE PROGRAM**

- A. The Member, if a member of Medical Malpractice Program I (hereinafter Program I), or Mid Mal Program; or the third party administrator for Medical Malpractice Program II (hereinafter Program II); shall be responsible for the investigation, settlement, defense and appeal of any claim made, suit brought or proceeding instituted against the Member.
 - 1. The Member (Program I and Mid Mal Program) or third party administrator (Program II) shall use only qualified personnel to administer its health facility claims.
 - 2. Qualified defense counsel experienced in health facility law shall handle litigated claims.
 - 3. The Member (Program I and Mid Mal Program) or third party administrator (Program II) shall use the "Claims Reporting And Handling Guidelines" in the CSAC/Excess Insurance Authority Medical Malpractice Excess Insurance Program Operating And Guidelines Manual (hereinafter OPERATING AND GUIDELINES MANUAL), and shall advise its claims administrator that these claims handling guidelines are utilized in the Authority's medical malpractice claims audits.
- B. The Member (Program I and Mid Mal Program) or third party administrator (Program II) shall provide the Authority and its excess carrier written notice of any potential excess claim or "major incident" in accordance with the requirements of the Authority and of the excess carrier as stated in the OPERATING AND GUIDELINES MANUAL. Updates on such claims or major incidents shall be provided as requested by the Authority and/or the Authority's excess carrier.

- C. A claims administration audit utilizing the Authority's Claims Reporting and Handling Guidelines in the OPERATING AND GUIDELINES MANUAL shall be performed once every three (3) years. In addition, an audit will be performed within twelve (12) months of any of the following events:
1. There is an unusual fluctuation in the Member's claims experience or number of large claims or
 2. There is a change of health facility claims administration firms or
 3. The Member is a new member of the Medical Malpractice Program or
 4. The Medical Malpractice Committee requests an audit.
- The claims audit shall be performed by a firm selected by the Authority. Recommendations made in the claims audit shall be addressed by the Member and a written response outlining a program for corrective action shall be provided to the Authority within sixty (60) days of receipt of the audit.
- D. If a member of Program I or the Mid Mal Program, the Member shall obtain an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) at least once every three (3) years. Based upon the actuarial recommendations, the Member should maintain reserves and make funding contributions equal to or exceeding the present value of expected losses and a reasonable margin for contingencies.
- E. The Member shall have an effective risk management program in accordance with the "Risk Management Guidelines" as states in the OPERATING AND GUIDELINES MANUAL.

VI. **SANCTIONS**

- A. The Authority shall provide the Member written notification of the Member's failure to meet any of the above-mentioned standards or of other concerns, which affect or could affect the Authority.
- B. The Member shall provide a written response outlining a program for corrective action within sixty (60) days of receipt of the Authority's notification.
- C. After approval by the Executive Committee of the Member's corrective program, the Member shall implement the approved program within ninety (90) days. The Member may request an additional sixty (60) days from the Executive Committee. Further requests for extensions shall be referred to the Board of Directors.

- D. Failure to comply with subsections B or C may result in cancellation of the Member from the affected Authority insurance program in accordance with the provisions in the Joint Powers Agreement.
- E. Notwithstanding any other provision herein, any member Member may be canceled pursuant to the provision of the Joint Powers Agreement.

Adopted: December 6, 1985
Amended: March 4, 1988
Amended: October 7, 1988
Amended: October 6, 1995
Amended: October 1, 1999
Amended: June 6, 2003

**ADDENDUM A
WORKERS' COMPENSATION
CLAIMS ADMINISTRATION GUIDELINES**

The following Guidelines have been adopted by the CSAC Excess Insurance Authority in accordance with Article 18(b) of the March 1993 Amended Joint Powers Agreement Creating the CSAC Excess Insurance Authority.

I. CASE LOAD

- A. On or after 07/01/2004, the claims examiner assigned to the Member shall handle a caseload not to exceed 175 indemnity claims. This caseload will include future medical cases with every 4 future medical cases counted as 1 indemnity case.
- B. Supervisory personnel should not handle a caseload, although they may handle specific issues.

II. CASE REVIEW AND DOCUMENTATION

- A. Documentation should reflect any significant developments in the file and include a plan of action. The examiner should review the file every 45 days. The supervisor shall monitor any significant activity on the file every 120 days. An accomplishment level of 95% shall be considered acceptable.

III. COMPENSABILITY

- A. The initial compensability determination (accept claim, deny claim or delay acceptance pending the results of additional investigation) and the reasons for such a determination will be made and documented in the file within fourteen (14) calendar days of the filing of the claim with the employer. An accomplishment level of 100% shall be considered acceptable.

- B. Delay of benefit letters shall be mailed in compliance with Department of Industrial Relations' guidelines. An accomplishment level of 100% shall be considered acceptable.
- C. The final compensability determination shall be made by the claims examiner or supervisor within 90 days of employer receipt of the claim form. An accomplishment level of 100% shall be considered acceptable.

IV. THREE POINT CONTACT

- A. The claims examiner shall conduct the three (3) point contact with the injured worker, employer representative and treating physician within five (5) working days of receipt of the notice of the claim. An accomplishment level of 95% shall be considered acceptable.

V. INITIAL INDEMNITY PAYMENT

- A. The initial indemnity payment will be issued and mailed to the injured employee within fourteen (14) days of the first day of disability. This shall not apply with salary continuation. An accomplishment level of 100% shall be considered acceptable.
- B. The properly completed DWC Benefit Notice shall be mailed to the employee within fourteen (14) days. An accomplishment level of 100% shall be considered acceptable.
- C. Late payments due directly to the injured worker must include the self imposed 10% penalty in accordance with Labor Code Section 4650. An accomplishment level of 100% shall be considered acceptable.

VI. SUBSEQUENT INDEMNITY PAYMENTS

- A. All indemnity payments subsequent to the first payment will be verified, except for obvious long-term disability, and issued in compliance with Labor Code Section 4651. An accomplishment level of 100% shall be considered acceptable.
- B. Late payments must include the self-imposed 10% penalty in accordance with Labor Code Section 4650. An accomplishment level of 100% shall be considered acceptable.

VII. FINAL INDEMNITY PAYMENTS

- A. All final payments will be issued with the appropriate DWC benefit notices.

VIII. TRANSPORTATION EXPENSE

- A. Transportation reimbursement will be mailed within fifteen (15) working days of the receipt of the claim for reimbursement. Advance travel expense payments will be mailed to the injured employee ten (10) days prior to the anticipated date of travel. An accomplishment level of 100% shall be considered acceptable.

IX. MEDICAL PAYMENTS

- A. Medical treatment billings (physician, pharmacy, hospital, physiotherapist, etc.) will be matched to the file, reviewed for correctness, approved for payment and paid within sixty (60) calendar days of receipt. An accomplishment level of 100% shall be considered acceptable.
- B. The medical provider must be notified in writing within 30 working days if a medical bill is contested, denied or incomplete.
- C. A bill review process should be utilized wherever possible. There should be participation in a PPO whenever possible.

X. PHYSICIAN CONTACT

- A. In cases involving loss of time from work, the attending physician's office will be contacted within five (5) working days of notice of claim. Such contact will continue as needed during the continuation of temporary disability to assure that treatment is related to a compensable injury or illness.

XI. LITIGATED CASES

The claims administrator and Member shall establish written guidelines for the handling of litigated cases. The guidelines should, at a minimum, include the points below, which may be adopted and incorporated by reference as "the guidelines".

- A. Defense of Litigated Claims
 - 1. The claims administrator shall promptly initiate investigation of issues identified as material to potential litigation. The Member shall be alerted to the need for in-house investigation, or the

need for a contract investigator who is acceptable to the Member. The Member shall be kept informed on the scope and results of investigations.

2. The claims administrator shall, in consultation with the Member, assign defense counsel from a list approved by the Member. (Note: To comply with Government Code Section 25203, the Member's list should be approved by a two-thirds vote of the board of supervisors.)
3. Settlement proposals directed to the Member shall be forwarded by the claims administrator or defense counsel in a concise and clear written form with a reasoned recommendation. Settlement proposals shall be presented to the Member as directed so as to insure receipt in sufficient time to process the proposal.
4. Knowledgeable Member personnel shall be involved in the preparation for medical examinations and trial, when appropriate or deemed necessary by the Member so that all material evidence and witnesses are utilized to obtain a favorable result for the defense.
5. The claims administrator shall comply with any reporting requirement of the Member.

B. Subrogation

1. In all cases where a third party (other than a Member employee or agent) is responsible for the injury to the employee, the third party shall be contacted within 10 days with notification of the Member's right to subrogation and the recovery of certain claim expenses. If the third party is a governmental entity, a claim shall be filed with the governing board (or State Board of Control as to State entities) within 6 months of the injury or notice of the injury.
2. Periodic contact shall be made with the responsible party and/or insurer to provide notification of the amount of the estimated recovery to which the Member will be entitled.
3. The file will be monitored to determine the need to file a complaint in civil court in order to preserve the statute of limitations.

4. If the injured worker brings a civil action against the party responsible for the injury, the claims administrator shall consult with the Member about the value of the subrogation claim and other considerations. Upon Member authorization, subrogation counsel shall be assigned to file a Lien or a Complaint in Intervention in the civil action.
5. Whenever practical, the claims administrator will aggressively pursue recovery in any subrogation claim. They should attempt to maximize the recovery for benefits paid, and assert a credit against the injured workers' net recovery for future benefit payments.

XII. VOCATIONAL REHABILITATION

- A. Adjusting personnel will notify the injured worker of their potential rights to rehabilitation benefits per Labor Code Section 4636 after 90 days of aggregate temporary disability and get the treating doctor to determine if injured worker is a Qualified Injured Worker.
- B. Determination of the Qualified Injured Worker/Non-Qualified Injured Worker status shall be made in accordance with Labor Code Section 4637. The adjusting personnel shall advise the injured worker of his/her rehabilitation benefits in accordance with the Rules of the Division of Workers' Compensation, within ten (10) days of knowledge of medical eligibility. The claims administrator will:
 1. Notify the employer of the employee's permanent work restrictions so that the employer can determine the availability of permanent modified or alternate work.
 2. Make timely referral to a Qualified Rehabilitation Representative in accordance with Labor Code Section 4637
 3. Control rehabilitation costs.
 4. Attempt to secure the prompt conclusion of vocational rehabilitation benefits, and settle rehabilitation where appropriate.

XIII. FISCAL HANDLING

- A. Active indemnity cases will be balanced with appropriate file documentation on a semi-annual basis to verify that statutory benefits

are paid, and medical, legal and vocational rehabilitation charges are appropriate. An accomplishment level of 100% shall be considered acceptable.

XIV. EXCESS INSURANCE

- A. Potential Workers' Compensation excess cases shall be reported in accordance with the reporting criteria established by The Bylaws of the CSAC Excess Insurance Authority.

All cases which meet the established reporting criteria are to be reported within five (5) working days of the day on which it is known the criterion is met. An accomplishment level of 100% shall be considered acceptable.

XV. AWARD PAYMENT

- A. Payments on undisputed Awards, Commutations, or Compromise and Releases will be issued within ten (10) days following receipt of the appropriate document. An accomplishment level of 100% shall be considered acceptable.

XVI. PENALTIES

- A. If the Member utilizes a third party administrator, the Member will be advised of the assessment of any penalty for delayed payment and the reason thereof, and the administrators plans for payment of such penalty within five (5) days of assessment. An accomplishment level of 100% shall be considered acceptable.
- B. If the Member utilizes a third party administrator, the Member, in their contract with the administrator, shall specify who is responsible for specific penalties.

XVII. RESERVES

- A. Using the information available at the time, an initial reserve will be established at the most probable case value. Claim reserves shall be reviewed on a regular basis and updated as case values increase or decrease.

XVIII. RESOLUTION OF CLAIM

- A. Within ten (10) days of receiving medical information indicating that a claim be finalized, the claims examiner shall take appropriate action to

finalize the claim. An accomplishment level of 95% shall be considered acceptable.

XIX. CASE CLOSURE

- A. All indemnity cases will be closed within sixty (60) days of the final financial transaction or final correspondence to the injured worker as required by law. An accomplishment level of 95% shall be considered acceptable.
- B. All medical only cases will be closed or transferred to an indemnity status by the ninetieth (90) day following incurral. An accomplishment level of 95% shall be considered acceptable.

XX. TELEPHONE INQUIRIES

- A. Return calls will be made within one working day of the original telephone inquiry. An accomplishment level of 90% shall be considered acceptable.

XXI. INCOMING CORRESPONDENCE

- A. All correspondence received will have the date of receipt clearly stamped on the front side. An accomplishment level of 100% shall be considered acceptable.

XXII. RETURN CORRESPONDENCE

- A. All correspondence requiring a written answer will have such answer completed and transmitted within five (5) working days of receipt. An accomplishment level of 95% is acceptable.

XXIII. SETTLEMENTS

- A. The third party administrator shall obtain the Member's authorization on all settlements or stipulations in excess of the settlement authority provided in any provision of the individual contract between the Member and the claims administrator.
- B. No agreement shall be authorized involving liability, or potential liability, of the Authority without the advance written consent of the Authority.

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 Designating Volunteers Of The Santa Cruz Metropolitan Transit District To Be Deemed Employees For Purpose Of California Workers' Compensation Law

WHEREAS, Santa Cruz Metropolitan Transit District is a public entity that has a need for volunteers from time to time to assist it in caring out its mission;

WHEREAS, Labor Code Section 3352 specifically excludes from the definition of "employee" for purpose of workers' compensation coverage, any person performing voluntary service for a public entity who receives no remuneration for the services other than meals, transportation, lodging, or reimbursement for incidental expenses;

WHEREAS, Labor Code Section 3363.5 authorizes a public entity to provide volunteers with workers' compensation coverage if the governing body of the public agency adopts a resolution declaring that a person who performs voluntary service without pay for the public entity shall be deemed to be an employee of the entity for purposes of workers' compensation law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, that any person who performs voluntary service without pay for the Santa Cruz Metropolitan Transit District shall be deemed to be an employee of the Santa Cruz Metropolitan Transit District for purposes of California Workers' Compensation law.

BE IT FURTHER RESOLVED that for purposes of this resolution, "voluntary service without pay" shall include services performed by any person, who receives no remuneration other than meals, transportation, lodging or reimbursement for incidental expenses.

PASSED AND ADOPTED by the Board of Directors of the Santa Cruz Metropolitan Transit District on November 21, 2003 by the following vote:

AYES: DIRECTORS –

NOES: DIRECTORS –

ABSENT: DIRECTORS –

EMILY REILLY
Chairperson

ATTEST:

APPROVED AS TO FORM:

LESLIE WHITE
General Manager

Margaret Gallagher
District Counsel