

**VICTOR VALLEY TRANSIT AUTHORITY
REGULAR MEETING OF
THE BOARD OF DIRECTORS
November 19, 2018, 9:30 A.M.**

**Barstow City Council Chambers
220 East Mountain View Street
Barstow, CA 92311**

Victor Valley Transit Authority Board of Directors

Rich Harpole, Chair, City of Barstow
Barb Stanton, Vice-Chair, Town of Apple Valley
Larry Bird, Director, City of Hesperia
Rich Kerr, Director, City of Adelanto
Robert Lovingood, Director, County of San Bernardino
James Ramos, Director, County of San Bernardino
Gloria Garcia, Director, City of Victorville

MISSION STATEMENT

Our mission is to serve the community with excellent public transportation services in terms of quality, efficiency, and responsiveness.

AGENDA

The Board of Directors meeting facility is accessible to persons with disabilities. If assistive listening devices or other auxiliary aids or services are needed in order to participate in the public meeting, requests should be made through the Clerk of the Board at least three (3) business days prior to the Board meeting. The Clerk's telephone number is 760-948-3262 x112, (voice) or for Telephone Device for the Deaf (TDD) service, begin by calling 711 and provide the VVT phone number and the office is located at 17150 Smoke Tree Street, Hesperia, CA. This agenda available and posted: Friday, November 9, 2018.

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

ANNOUNCEMENTS

PUBLIC COMMENTS

This is the time the Board will hear public comments regarding items not on the agenda or the consent calendar. Individuals who wish to speak to the Board regarding agenda items or during public comments should fill out a comment card and submit it to the Clerk of the Board. Each speaker is allowed three (3) minutes to present their comments. The Board will not remark on public comments; however, each comment will be taken into consideration by VVTA.

CONSENT CALENDAR

Consent Calendar items shall be adopted by a single vote unless removed for discussion by Board member request.

- Pg. 9 ***Item #1: Minutes from Public Hearing and Regular Meeting of The Board of Directors Conducted on October 15, 2018.***
Recommendation: Move for approval.
Presented by: None.
- Pg. 17 ***Item #2: Warrants, September 2018.***
Recommendation: Move for approval.
Presented by: None.
- Pg. 23 ***Item #3: Calendar of Meetings.***
Recommendation: Move for approval.
Presented by: None.
- Pg. 31 ***Item #4: FTA Triennial Performance Review for Fiscal Years 2014-2015 Through Fiscal Year 2016-2017.***
Recommendation: Receive and file.
Presented by: None.
- Pg. 65 ***Item #5: Transportation Development Act (TDA) Triennial Performance Audit for Fiscal Years 2015 - 2017.***
Recommendation: Receive and file.
Presented by: None.
- Pg. 76 ***Item #6: VVTA Annual National Transit Database (NTD) Statement for Fiscal Year Ending June 30, 2018 Completed by Vavrinek, Trine, Day and Company, LLP.***
Recommendation: Receive and file.
Presented by: None.

REPORTS

- Pg. 75 ***Item #7: Meeting Notes from The Technical Advisory Committee Meeting Conducted on November 7, 2018.***
Recommendation: Information item only.
Presented by: None.
- Pg. 81 ***Item #8: Management Reports for Hesperia and Barstow Divisions – Verbal Report from Executive Director.***
Recommendation: Information item only.
Presented by: Kevin Kane, Executive Director.

ACTION ITEMS

- Pg. 93 ***Item #9: Claim for Completed Article 3 Transit Stop Access Improvement Project.***
Recommendation: Approve staff to file an Article 3 reimbursement claim for \$23,852 and local over match to SBCTA for the Article 3 Web-based Bus Stop Mapping project for those expenses accrued to FY 18.
Presented by: Nancie Goff, Deputy Executive Director.
- Pg. 101 ***Item #10: Ratify Contract #2018-13 Macro-Z-Technologies for Design Build Barstow Maintenance and Operations Facility.***
Recommendation: Ratify Contract #2018-13 with Macro-Z-Technologies for the Design Build of the Barstow Maintenance and Operations Facility.
Presented by: Christine Plasting, Procurement Manager

BOARD OF DIRECTORS COMMENTS

DATE OF NEXT MEETING

Monday, December 17th at 9:30 AM
Victor Valley Transit Authority
17150 Smoke Tree Street
Hesperia, CA 92345

ADJOURNMENT

Victor Valley Transit Acronym List

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ADA	Americans with Disabilities Act
APTA	American Public Transit Association
AQMP	Air Quality Management Plan
BAFO	Best and Final Offer
BEB	Battery Electric Bus
BOE	Board of Equalization
CALCOG	California Association of Councils of Governments
CALTRANS	California Department of Transportation
CARB	California Air Resources Board
CEQA	California Environmental Quality Act
CHP	California Highway Patrol
CIP	Capital Improvement Program
CMAQ	Congestion Mitigation and Air Quality
CMP	Congestion Management Program
CNG	Compressed Natural Gas
COG	Council of Governments
CSAC	California State Association of Counties
CTC	California Transportation Commission
CTC	County Transportation Commission
CTP	Comprehensive Transportation Plan
CTSA	Consolidated Transportation Services Agency
CTSGP-CTAF	California Transit Security Grant Program-California Transit Assistance Fund
DAC	Disadvantaged Communities
DBE	Disadvantaged Business Enterprise
DBELO	Disadvantaged Business Enterprise Liaison Officer
DOD	Department of Defense
DOT	Department of Transportation
E&H	Elderly and Handicapped
EEM	Environmental Enhancement and Mitigation
EIR	Environmental Impact Report
EIS	Environmental Impact Statement
EPA	United States Environmental Protection Agency
ETC	Employee Transportation Coordinator
FAST	Fixing America's Surface Transportation ACT
FEIS	Final Environmental Impact Statements
FHWA	Federal Highway Administration
FTA	Federal Transit Administration
GIMS	Geographic Information Mapping Systems
GIS	Geographic Information Systems
GPS	Global Positioning System
HOV	High-Occupancy Vehicle
IAS-FFA	Independent Auditors Statement for Federal Funding Allocation
ITS	Intelligent Transportation Systems
JPA	Joint Powers Authority
LACMTA	Los Angeles County Metropolitan Transportation Authority
LAP	Language Assistance Plan
LCFS	Low Carbon Fuel Standard
LCTOP	Low Carbon Transit Operations Program
LD	Liquidated Damages
LEED	Leadership in Energy and Environmental Design
LEP	Limited English Proficiency
LTF	Local Transportation Fund

Victor Valley Transit Acronym List

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MAP-21	Moving Ahead for Progress in the 21 st Century
MBTA	Morongo Basin Transit Authority
MDAQMD	Mojave Desert Air Quality Management District
MDT	Mobile Display Terminal
MOU	Memorandum of Understanding
MPO	Metropolitan Planning Organization
MTP	Metropolitan Transportation Planning
MTBP	Mass Transit Benefit Program
NEPA	National Environmental Policy Act of 1969
NTD	National Transit Database
OCTA	Orange County Transportation Authority
OWP	Overall Work Program
PASTACC	Public and Specialized Transportation Advisory and Coordinating Council
PCA	Personal Care Attendant
PTMISEA	Public Transportation Modernization Improvement and Service Enhancement
POP	Program of Projects
RCTC	Riverside County Transportation Commission
RDA	Redevelopment Agency
RTAC	Regional Transportation Agencies' Coalition
RTAP	Rural Technical Assistance Program
RTIP	Regional Transportation Improvement Program
RTP	Regional Transportation Plan
RTPA	Regional Transportation Planning Agencies
SBCTA	San Bernardino County Transportation Authority (formerly SANBAG)
SCAG	Southern California Association of Governments
SOV	Single-Occupant Vehicle
SRTP	Short Range Transit Plan
STAF	State Transit Assistance Funds
STIP	State Transportation Improvement Program
STP	Surface Transportation Program
TAC	Technical Advisory Committee
TAM	Transit Asset Management
TCM	Transportation Control Measure
TDA	Transportation Development Act
TEA	Transportation Enhancement Activities
TEAM	Transportation Electronic Award and Management
TNC	Transportation Network Company
TOCP	Transit Operating and Capital Plan
TrAMS	Transit Award and Management System
TREP	Transportation Reimbursement Escort Program
TRIP	Transportation Reimbursement Incentive Program
TSSSDRA	Transit System Safety, Security and Disaster Response Account
TSM	Transportation Systems Management
ULEV	Ultra Low Emission Vehicle
UZAs	Urbanized Areas
VOMS	Vehicles Operated in Maximum Service
ZEB	Zero Emission Bus
ZEV	Zero Emission Vehicle

Victor Valley Transit Authority Meeting Procedures

The Ralph M. Brown Act is the state law which guarantees the public's right to attend and participate in meetings of local legislative bodies. These rules have been adopted by the Victor Valley Transit Authority (VVTA) Board of Directors in accordance with the Brown Act, Government Code 54950 et seq., and shall apply at all meetings of the (VVTA) Board of Directors.

1. **Agendas** - All agendas are posted at the VVTA Administrative offices, and the Victorville, Hesperia, Barstow and Apple Valley city/town halls at least 72 hours in advance of the meeting. Staff reports related to agenda items may be reviewed at the VVTA Administrative offices located at 17150 Smoke Tree Street, Hesperia, CA 92345.
2. **Agenda Actions** - Items listed on both the "Consent Calendar" and "Action/Discussion Items" contain suggested actions. The Board of Directors will generally consider items in the order listed on the agenda. However items may be considered in any order. New agenda items can be added and action taken by two-thirds vote of the Board of Directors.
3. **Closed Session Agenda Items** - Consideration of closed session items exclude members of the public. These items include issues related to personnel, ending litigation, labor negotiations and real estate negotiations. Prior to each closed session, the Chair will announce the subject matter of the closed session. If action is taken in closed session, the Chair may report the action to the public at the conclusion of the closed session.
4. **Public Testimony on an Item** - Members of the public are afforded an opportunity to comment on any listed item. Individuals wishing to address the Board of Directors should complete a "Request to Speak" form. A form must be completed for each item an individual wishes to speak on. When recognized by the Chair, speakers should be prepared to step forward and announce their name and address for the record. In the interest of facilitating the business of the Board, speakers are limited to three (3) minutes on each item. Additionally, a twelve (12) minute limitation is established for the total amount of time any one individual may address the Board at any one meeting. The Chair or a majority of the Board may establish a different time limit as appropriate, and parties to agenda items shall not be subject to the time limitations. If there is a Consent Calendar, it is considered a single item; thus the three (3) minute rule applies. Consent Calendar items can be pulled at Board member request and will be brought up individually at the specified time in the agenda allowing further public comment on those items.
5. **Public Comment** - At the beginning of the agenda an opportunity is also provided for members of the public to speak on any subject within VVTA's authority. Matters raised under "Public Comment" may not be acted upon at that meeting. The time limits established in Rule #4 still apply.
6. **Disruptive Conduct** - If any meeting of the Board is willfully disrupted by a person or by a group of persons so as to render the orderly conduct of the meeting impossible, the Chair may recess the meeting or order the person, group or groups of persons willfully disrupting the meeting to leave the meeting or to be removed from the meeting. Disruptive conduct includes addressing the Board without first being recognized, not addressing the subject before the Board, repetitiously addressing the same subject, failing to relinquish the podium when requested to do so, or otherwise preventing the Board from conducting its meeting in an orderly manner.

Please be aware that a NO SMOKING policy has been established for VVTA meetings. Your cooperation is appreciated!

VICTOR VALLEY TRANSIT AUTHORITY

MISSION STATEMENT

**Our mission is to serve the
community with excellent
public transportation
services in terms of quality,
efficiency, and
responsiveness.**

Quality

To increase ridership and community support by exceeding expectations.

Efficiency

To maintain an efficient operation that represents a highly-valued service.

Responsiveness

To provide services and facilities which are responsive to the needs of the community.

**AGENDA ITEM
ONE**

VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Minutes from the Regular Meeting of the Board of Directors Conducted on October 15, 2018.

SUMMARY STATEMENT

Following are copies of the minutes from the regular meeting of the Board of Directors conducted on October 15, 2018.

RECOMMENDED ACTION

Move for approval.

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
Debi Lorrh, Clerk of the Board	N/A	November 19, 2018	1

**VICTOR VALLEY TRANSIT
REGULAR MEETING OF THE
BOARD OF DIRECTORS**

**October 15, 2018
MINUTES**

CALL TO ORDER

The Regular Meeting of the Board of Directors of the Victor Valley Transit Authority was called to order at 9:30 a.m. by Chair Rich Harpole at VVTA's offices at 17150 Smoke Tree Street, Hesperia, CA 92345.

ROLL CALL

Board Members Present: Chair Rich Harpole
Vice-Chair Barb Stanton
Director Larry Bird
Director Gloria Garcia
Alternate-Director John Woodard
Director Robert Lovingood (Departed at 10:47 am)
Alternate Director Sandy Baca

Staff Members Present:

Kevin Kane, VVTA	Jonathan McDowell, Next
Simon Herrera, VVTA	Steven Riggs, VVTA
Carol Greene, County Counsel	Debi Lorrh, VVTA
Aaron Moore, VVTA	Christine Plasting, VVTA
Nancie Goff, VVTA	Ashley Palmer, VVTA
Marie Downing, VVTA	Christine Ortega, Next
Ro Ratliff, City of Victorville	Lora Sanchez, Next
Ron Zirges, VVTA	Fidel Gonzales, VVTA
Jim Miller, Next	Doug Matthews, City of Victorville
Barbara Miller, VVTA	Sue Crane, Next
Denise Madrid, VVTA	Sylvia Harris, VVTA
Jazmin Castro, VVTA	David Flowers, VVTA
Tina Souza, City of Hesperia	Jerry Triolo, Next
Sandy Martinez, VVTA	Cindy Prothro, City of Barstow
Don Holland, Co. of San Bernardino	

PLEDGE OF ALLEGIANCE

Vice-Chair Stanton led the audience in the pledge of allegiance.

ANNOUNCEMENTS

Mr. Kane introduced Jerry Triolo, the new General Manager for Next. Mr. Kane also mentioned a homicide that occurred over the weekend involving a current driver as well as a former driver; this incident did not involve VVTA, nor did it occur on the job. If anyone has questions, please send them to the Executive Director for assistance.

Chair Harpole announced that today is Vice-Chair Stanton's last meeting as she is retiring and moving out of state. The Board presented Vice-Chair Stanton with a going away gift; she thanked the Board and VVTA staff for helping her realize one of the biggest accomplishments in her life and for always being available with a generous nature.

Chair Harpole announced that Item #12, Closed session will occur before the action items.

PUBLIC COMMENTS

None.

CONSENT CALENDAR

1. **Minutes from Public Hearing and Regular Meeting of The Board of Directors Conducted on September 17, 2018.**
Recommendation: Move for approval.
Presented by: None.
2. **Warrants, August 2018.**
Recommendation: Move for approval.
Presented by: None.
3. **Amend Public Comment Polices on Service Changes and Fare Increases.**
Recommendation: Ratify and approve amendment to VVTA's Public Comment on Service Changes and Public Comment on Fare Increases Policies to address FTA required elements.
Presented by: None.
4. **Ratify Merchant Application and Agreement with Chase Paymentech for Processing Mobile Ticketing and Smart Card Fare Collections.**
Recommendation: Ratify Merchant Application and Agreement with Chase Paymentech for processing mobile ticketing and smart card fare collections.
Presented by: None.
5. **Memorandum of Agreement (MOA) Between Victor Valley Transit Authority and Mojave Desert AQMD for The Designation of AB 2766 Funds to Be Granted for Public Transit Support.**
Recommendation: Approve MOA between VVTA and MDAQMD for the designation of AB 2766 funds to be Granted for Public Transit Support.
Presented by: None.
6. **Update VVTA's Technical Advisory Committee Purpose and Organization.**
Recommendation: Approve the update to VVTA's Technical Advisory Committee Purpose and Organization.
Presented by: None.

A MOTION WAS MADE BY Director Lovingood to approve the Consent Calendar. Seconded by Director Bird. The motion passed unanimously.

REPORTS

7. **Meeting Notes from The Technical Advisory Committee Meeting Conducted on October 3, 2018.**
Recommendation: Information item only.
8. **Management Reports for Hesperia and Barstow Divisions – Verbal Report from Executive Director.**
Recommendation: Information item only.

Mr. Kane briefly reviewed the Board reports. Director Bird inquired about any comments VVTA has received regarding the free ride passes; Mr. Kane stated that all remarks have been of a positive nature.

ACTION/DISCUSSION ITEMS

12. **Closed Session.**
BOARD BUSINESS
Personnel Matters - Government Code Section 54957(b)(1) – Public Employee Performance Evaluation. Title: Executive Director.

Open Closed Session: 10:00 am

Ms. Greene stated that there is no reportable action from the closed session.

Close Closed Session: 10:45 am
9. **Creation of a New VVTA Public Routes #501 - #504 (Barstow Light Fest) to Operate One-Day-Only, November 3, 2018.**
Recommendation: Create VVTA Public Routes #501 - #504 (Barstow Light Fest) to Operate One-Day Only, November 3, 2018.
Presented by: Kevin Kane, Executive Director.

Mr. Kane said that these public routes are one-day only routes to provide service to Barstow's Light Festival on November 3, 2018. Chair Harpole stated that the vendor for this event will be reimbursing the costs to VVTA.

A MOTION WAS MADE BY Vice-Chair Stanton to approve the recommended action. Seconded by Director Garcia. The motion passed unanimously.

10. **VVTA RFP 2018-13 Design-Build Barstow Facility.**
Recommendation: 1) Authorize Executive Director to enter into the BAFO process with Macro Z Technologies and delegate authority for executing and overseeing the contract; and 2) Direct the Executive Director to present the

executed Design-Build contract to the Board of Directors for ratification at the first meeting following execution.

Presented by: Christine Plasting, Procurement Manager

A MOTION WAS MADE BY Director Bird to approve the recommended action. Seconded by Director Garcia. The motion passed unanimously.

11. **Amend VVTA's Employee Personnel Policy Benefits Contribution Rates, Revision 6; Initiate a Five Percent (5%) Wage Increase for All VVTA Staff; eliminate steps that will be below the statutory increase to minimum wage; and Include a Yearly Cost of Living Increase for Staff to be Reviewed by the VVTA Board Prior to Incorporation Into the VVTA Annual Budget.**

Recommendation: 1) Amend VVTA's Employee Personnel Policy Benefits Contribution Rates, Revision 6. 2) Initiate a five percent (5%) wage increase for all VVTA staff and amend the salary table to include the salary changes and to remove steps 5 through 10 made obsolete by the increased minimum wage. 3) Amend VVTA's Compensation Policy by Updating the Range and Step Plan in accordance with Board direction and add a requirement that staff bring an item to the Board by April of each year, commencing in 2019 for consideration of a cost of living increase based upon the Consumer Price Index

Presented by: Steven Riggs, Finance Director.

Mr. Kane stated that the information presented to the Board is the result of several closed sessions and meetings. Vice-Chair Stanton stated that she felt the staff deserved a higher percentage than what is recommended, pointing out that the 5% does not amount to the Consumer Price Index increases that should have been allowed all along. Additionally, Vice-Chair Stanton mentioned that with unemployment at 3.7% currently, there is not an abundance of people available to fill the positions with qualified people at their current rates.

Director Bird said that he concurs with Vice-Chair Stanton and does not want staff to feel underappreciated; he also agreed that the recommended action does not meet the loss of CPI increases over the years.

Chair Harpole stated that the CPI increases are addressed moving forward and will become effective in 2019 and feels the staff will see more than the 5% addressed in the item.

A SUBSTITUTE MOTION WAS MADE BY Vice-Chair Barb Stanton to change #2 of the recommended action from 5% to 6.5%. Seconded by Director Bird. The motion passed with a roll call vote:

AYES: 5
NOES: 1

PRESS CLIPS/CORRESPONDENCE

BOARD OF DIRECTORS COMMENTS

Director Bird, this being Vice-Chair Stanton's last meeting before retirement, thanked Vice-Chair Stanton for the privilege of working with her and said it was an honor to know her. Director Garcia commented that she has known Vice-Chair Stanton for over 15 years and she will not let anyone hinder the progress she has made. Alternate-Director Baca stated that Vice-Chair Stanton is a woman to be admired and respected; Alternate-Director also shared that it has been a pleasure working with Vice-Chair Stanton.

DATE OF NEXT MEETING

The next scheduled Board meeting will be on Monday, November 17, 2018 at 9:30 am at Barstow City Council Chambers, 220 East Mountain View Street, Barstow, CA 92311.

ADJOURNMENT

The meeting was adjourned at 10:59 am.

APPROVED: _____
Rich Harpole, Chair

ATTEST: _____
Debi Lorrach, Clerk of the Board

**AGENDA ITEM
TWO**

VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Payrolls and Warrants for September 2018.

SUMMARY STATEMENT

The following registers of Payrolls and Warrants have been audited as required By Section 37202 and 37208 of the Government code, and said documents are accurate and correct.

Agency's Gross Payroll for Administrative Employees

<u>Payroll Date</u>	<u>Amount</u>	<u>Register#</u>
09/14/2018	\$ 62,451.91	PR0213-09-18
09/28/2018	\$ 63,980.91	PR0214-09-18
Total Payroll	\$ 126,432.82	

Agency's Register of Warrants

<u>Register Date</u>	<u>Amount</u>	<u>Check #</u>	<u>Register #</u>
09/06/2018	\$ 192,522.42	9540-9553	AP02158AAADDK
09/14/2018	\$ 16,475.18	9554-9564	AP02161AAADDN
09/20/2018	\$ 169,260.34	9565-9585	AP0217AAADDW
09/27/2018	\$ 201,832.30	9586-9608	AP0218AAADEN
	\$ 580,090.24		

RECOMMENDED ACTION

Approve VVTA's expenditures for September 2018.

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
Steven Riggs, Finance Director	\$706,523.06	November 19, 2018	2

Bank Register Report
Victor Valley Transit Authority
September 2018

Check Number	Date	Payee Name	Amount
009540	09/06/2018	Clean Energy	\$4,898.03
009541	09/06/2018	Southern California Edison	\$10,935.76
009542	09/06/2018	Enterprise Ride Share	\$80,760.00
009543	09/06/2018	Frontier	\$280.42
009544	09/06/2018	City Of Hesperia Water District	\$3,371.71
009545	09/06/2018	Labor Finders	\$340.48
009546	09/06/2018	National Auto Fleet Group	\$70,581.12
009547	09/06/2018	PETCAM Engineering Inc	\$8,356.00
009548	09/06/2018	Rock N Our Disabilities Foundation	\$500.00
009549	09/06/2018	Southern California Fleet Services Inc	\$947.73
009550	09/06/2018	South Coast Mechanical	\$4,538.25
009551	09/06/2018	Tolar Manufacturing Co., Inc	\$346.75
009552	09/06/2018	Verizon-Security Phones	\$4,955.72
009553	09/06/2018	Verizon	\$1,710.45
009554	09/14/2018	Southern California Edison-CNG	\$10,501.12
009555	09/14/2018	Southern California Edison	\$1,071.50
009556	09/14/2018	HI DESERT ALARM	\$180.00
009557	09/14/2018	HI-Desert Communications	\$1,308.00
009558	09/14/2018	Public Surplus	\$34.48
009559	09/14/2018	RM Fencing	\$1,370.00
009560	09/14/2018	South Coast Mechanical	\$1,188.00
009561	09/14/2018	Southwest Gas Corporation	\$566.57
009562	09/14/2018	Southwest Gas Corporation	\$47.71
009563	09/14/2018	Southwest Gas Corporation	\$73.75
009564	09/14/2018	SPECTRUM BUSINESS	\$134.05
009565	09/20/2018	Allied Barton Security Services	\$5,439.00
009566	09/20/2018	Charles Meier	\$4,642.07
009567	09/20/2018	Lawrence Bird	\$125.00
009568	09/20/2018	SPECTRUM BUSINESS	\$1,946.61
009569	09/20/2018	Clean Energy	\$18,069.61
009570	09/20/2018	Diamond	\$291.09
009571	09/20/2018	Flyers Energy LLC	\$50,010.06
009572	09/20/2018	GEOGRAPHICS	\$62.80
009573	09/20/2018	Richard Harpole	\$125.00
009574	09/20/2018	HI-Desert Communications	\$1,005.52
009575	09/20/2018	Lincoln Financial Group	\$921.83
009576	09/20/2018	Loomis	\$536.68
009577	09/20/2018	Robert Lovingood	\$125.00
009578	09/20/2018	Eric Negrete	\$125.00
009579	09/20/2018	Southern California Fleet Services Inc	\$1,450.27
009580	09/20/2018	Special District Risk Management	\$32,062.68
009581	09/20/2018	Southwest Gas Corporation	\$46,145.35
009582	09/20/2018	Barbara Stanton	\$125.00
009583	09/20/2018	State Compensation Insurance Fund	\$5,416.77
009584	09/20/2018	Thermal Protection Services	\$510.00
009585	09/20/2018	John Woodard	\$125.00
009586	09/27/2018	ADAride.com	\$7,297.40
009587	09/27/2018	American Guard Services INC	\$8,196.58
009588	09/27/2018	American Express	\$546.96
009589	09/27/2018	Bonnie Baker Senior Center	\$2,041.58
009590	09/27/2018	BP Energy Company	\$123,040.08

009591	09/27/2018	Civic Resource Group	\$825.00
009592	09/27/2018	Southern California Edison	\$919.21
009593	09/27/2018	Frontier	\$118.10
009594	09/27/2018	Remix Software	\$12,000.00
009595	09/27/2018	San Bernardino County	\$4,410.76
009596	09/27/2018	SONIC SYSTEMS IT	\$2,967.50
009597	09/27/2018	SOUTHWEST GAS CORPORATION	\$11.00
009598	09/27/2018	Trona Community Senior Center	\$2,425.07
009599	09/27/2018	US BANK	VOID
009600	09/27/2018	US BANK	VOID
009601	09/27/2018	US BANK	VOID
009602	09/27/2018	US BANK	VOID
009603	09/27/2018	US BANK	VOID
009604	09/27/2018	US BANK	VOID
009605	09/27/2018	US BANK	VOID
009606	09/27/2018	US BANK	\$29,126.67
009607	09/27/2018	VerizonBAT	\$952.03
009608	09/27/2018	City Of Victorville	\$6,954.36
TOTAL			\$580,090.24

**AGENDA ITEM
THREE**

VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

VVTA Board of Directors Calendar of Meetings for 2019.

SUMMARY STATEMENT

Every year the third Monday in January and February fall on holidays (Martin Luther King Jr. Day and Presidents Day respectively). In the past, meetings have been scheduled for the third Tuesday of the month for both January and February meetings. Otherwise all meetings are scheduled for the third Monday of the month. Meeting times (9:30 am) and the locations (Victor Valley Transit Authority and Barstow Council Chambers) are unchanged.

RECOMMENDED ACTION

Move for approval.

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
Debi Lorrach, Clerk of the Board	N/A	November 19, 2018	3

VICTOR VALLEY TRANSIT AUTHORITY
BOARD OF DIRECTORS
CALENDAR OF MEETINGS 2019

Tuesday, January 22nd, 9:30 a.m.
(Monday, 21st Martin Luther King Jr. Day)

Tuesday, February 19th, 9:30 a.m.
(Monday, 18th Presidents Day)
To be held at Barstow City Council Chambers.

Monday, March 18th, 9:30 a.m.

Monday, April 15th, 9:30 a.m.

Monday, May 20th, 9:30 a.m.
To be held at Barstow City Council Chambers.

Monday, June 17th, 9:30 a.m.

Monday, July 15th, 9:30 a.m.

Monday, August 19th, 9:30 a.m.
To be held at Barstow City Council Chambers.

Monday, September 16th, 9:30 a.m.

Monday, October 21st, 9:30 a.m.

Monday, November 18th, 9:30 a.m.
To be held at Barstow City Council Chambers.

Monday, December 16th, 9:30 a.m.

All meetings are the third Monday of the month except January and February due to holidays.

**AGENDA ITEM
FOUR**

VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

FTA Triennial Performance Review for Fiscal Years 2014-2015 Through Fiscal Year 2016-2017.

SUMMARY STATEMENT

On August 8 and 9, 2018, VVTA underwent its FTA Triennial Performance Review site visit for Fiscal Years 2014-2015 through 2016-2017. This comprehensive review focused on VVTA's adherence with FTA federal requirements for award management and program implementation.

This in-depth review examines the agency's compliance in 20 functional areas. Prior to the site visit staff worked for several weeks preparing documentation and reports for the desk review which is required prior to the on-site visit. Staff is pleased to report that no "deficiencies" (minor issues) were found in 15 of the 20 functional areas. The minor deficiencies found in 5 of the areas are referenced in the attached report. VVTA has met or exceeded the FTA requirements in 75% of the program areas reviewed. Additionally, it was noted that VVTA has no repeat deficiencies from the 2015 Triennial Review.

Subsequent to the Board's approval in October, staff made the required corrective action for the deficiency noted in the Section 5307 Public Comments Policy Program Requirements area of the review. Staff has assured FTA the remaining 4 deficiencies will be corrected prior to the January 15, 2019 due date.

RECOMMENDED ACTION

Receive and File FTA Triennial Performance Audit Report for Fiscal Year 2015 Through Fiscal Year 2017.

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
None	None	November 19, 2018	4



U.S. Department
of Transportation
**Federal Transit
Administration**

REGION IX
Arizona, California,
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American Samoa,
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Mr. Kevin Kane
Executive Director
Victor Valley Transit Authority
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OCT 5 2018

RE: Federal Transit Administration (FTA)
Fiscal Year 2018 Triennial Review –
Final Report

Dear Mr. Kane:

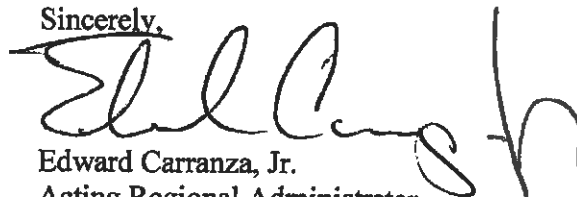
The enclosed report documents the Federal Transit Administration's (FTA) Triennial Review of Victor Valley Transit Authority (VVTA). This review is required by Chapter 53 of Title 49, United States Code, Section 5307. Although not an audit, the Triennial Review is the FTA's assessment of VVTA's compliance with federal requirements, determined by examining a sample of award management and program implementation practices. As such, the Triennial Review is not intended as, nor does it constitute, a comprehensive and final review of compliance with award requirements.

The Triennial Review focused on VVTA's compliance in 20 areas. No deficiencies were found with the FTA requirements in 15 areas. Deficiencies were found in 5 areas: Financial, Maintenance, Procurement, Disadvantaged Business Enterprise, and Section 5307 Program Requirements. VVTA had no repeat deficiencies from the 2015 Triennial Review.

Subsequent to the site visit, VVTA provided corrective action responses to address the deficiencies noted in the Section 5307 Program Requirements section of the report that follows. The updated procedures are sufficient to close the finding in this area, and the finding will be closed upon approval of the updated procedures by VVTA's Board of Directors, along with appropriate documentation of such approval.

Thank you for your cooperation and assistance during this Triennial Review. If you need any technical assistance or have any questions, please do not hesitate to contact Audrey Bredehoft, Director, Office of Financial Management and Program Oversight at 415-734-9453 or by email at Audrey.Bredehoft@dot.gov.

Sincerely,



Edward Carranza, Jr.
Acting Regional Administrator

Enclosure

FINAL REPORT

**FISCAL YEAR 2018
TRIENNIAL REVIEW**

of

**Victor Valley Transit Authority
(VVTA)
Hesperia, CA
Recipient ID: 5538**

Performed for:

**U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
REGION IX**

Prepared By:

CDI/DCI Joint Venture

Scoping Meeting Date: February 20, 2018

Site Visit Date: August 8-9, 2018

Draft Report Date: September 10, 2018

Final Report: October 9, 2018

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I. Executive Summary

This report documents the Federal Transit Administration's (FTA) Triennial Review of the Victor Valley Transit Authority (VVTA) of Hesperia, California. The review was performed by CDI/DCI Joint Venture. During the site visit, administrative and statutory requirements were discussed, and documents were reviewed. VVTA's transit facilities were toured to provide an overview of activities related to FTA-funded projects.

The Triennial Review focused on VVTA's compliance in 20 areas. Deficiencies were found in the areas listed below.

Review Area	Deficiencies	
	Code	Description
2. Financial	F1-1	Missing, insufficient, or out of date financial operating procedures
7. Maintenance	M2-1	Late vehicle/vessel preventive maintenance
8. Procurement	P5-1	Incomplete written documentation of procurement history
	P8-5	Lacking required justifications and documentation for sole-source awards
	P10-1	Lacking independent cost estimate
	P10-2	Lacking required cost/price analysis
9. Disadvantaged Business Enterprise	DBE5-1	DBE uniform reports contain inaccuracies and/or are missing required information
18. Section 5307 Program Requirements	5307:3-2	Public comment policy missing required elements

Subsequent to the site visit, VVTA provided corrective action responses to address the deficiencies noted in the Section 5307 Program Requirements section of the report that follows. The updated procedures are sufficient to close the finding in this area, and the finding will be closed upon approval of the updated procedures by VVTA's Board of Directors, along with appropriate documentation of such approval.

II. Review Process and Background

1. Background

The United States Code, Chapter 53 of Title 49 (49 U.S.C. 5307(f) (2)) requires that “At least once every three years, the Secretary shall review and evaluate completely the performance of a grantee in carrying out its program, specifically referring to compliance with statutory and administrative requirements.”

The Triennial Review includes a review of the recipient’s compliance in 20 areas. The basic requirements for each of these areas are summarized in Section IV.

This report presents the findings from the Triennial Review of VVTA. The review concentrated on procedures and practices employed during the past three years; however, coverage was extended to earlier periods as needed to assess the policies in place and the management of grants. The specific documents reviewed and referenced in this report are available at FTA’s regional office or the recipient’s office.

2. Process

The Triennial Review process includes a pre-review assessment, a review scoping meeting with the FTA regional office, and an onsite visit to the recipient’s location. A Recipient Information Request (RIR) package was sent to VVTA advising it of the review and site visit, and containing a list of items and questions that the recipient was required to submit to the reviewer. The review scoping meeting was conducted with the Region IX Office on February 20, 2018. Additional files retained by the regional office were sent to the reviewer electronically. A Site Visit Agenda package was sent to VVTA advising it of the site visit date and indicating information that would be needed and issues that would be discussed. The site visit to VVTA occurred on August 8-9, 2018.

The onsite portion of the review began with an entrance conference, at which the purpose of the Triennial Review and the review process were discussed. The remaining time was spent discussing administrative and statutory requirements and reviewing documents. The reviewer visited VVTA’s operations and maintenance facilities to provide an overview of activities related to FTA-funded projects.

The reviewers examined a sample of maintenance records for FTA-funded vehicles and equipment. Upon completion of the review, FTA and the reviewers provided a summary of preliminary findings to VVTA at an exit conference. Section VI of this report lists the individuals participating in the review.

3. Metrics

The metrics used to evaluate whether a recipient is meeting the requirements for each of the areas reviewed are:

- *Not Deficient*: An area is considered not deficient if, during the review, no findings were noted with the grantee's implementation of the requirements.
- *Deficient*: An area is considered deficient if any of the requirements within the area reviewed were not met.
- *Not Applicable*: An area can be deemed not applicable if, after an initial assessment, the grantee does not conduct activities for which the requirements of the respective area would be applicable.

III. Recipient Description

1. Organization and Services

The Victor Valley Transit Authority (VVTA) provides transit service to the Cities of Adelanto, Barstow, Hesperia, Victorville, the Town of Apple Valley, and selected areas of San Bernardino County. VVTA is a joint powers authority (JPA) established in 1992 under California law. The operations and maintenance of Barstow Area Transit (BAT) were merged with VVTA, effective July 1, 2015 with a JPA amendment. VVTA contracts commuter bus, fixed route and paratransit services with Transdev. Transdev also provides maintenance for these services. The service area population is 345,768, and with the merger the service area has expanded from 424 to approximately 950 square miles.

VVTA operates several different types of transportation services, including the following:

- Urban fixed route service
- Complementary paratransit
- VVTA County Route fixed route service (may include flagged stops)
- Commuter Bus Service – The NTC Commuter; travels one direction during peak periods
- VVTA deviated route service
- VVTA Inter-City Routes – Route 15 B-V Link service
- Express Route Service – Route 50X
- Life-line service – Route 200

The basic adult fare for urban bus service is \$1.50. A reduced fare of \$0.75 is charged for senior citizens, persons with disabilities, and persons with a Medicare card during all hours of service. VVTA also has a student fare of \$1.25, and children five and under ride free. For its four county routes, VVTA has a regular fare of \$2.50; a student fare of \$2.25; and a reduced fare of \$1.25 for senior citizens, persons with disabilities, and persons with a Medicare card. Children ride for free. For the fixed-route deviated service added to the regular and student fares is a \$2.00 surcharge, the reduced surcharge is \$1.00, and children ride for free. The fare for ADA paratransit service is \$2.50 for the standard ADA paratransit service with higher fares for zones 2 and 3.

Fixed route service is operated weekdays 6:00 am – 9:00 pm, Saturdays 7:00 am – 8:00 pm and Sundays 8:00 am – 6:00 pm. Paratransit service is operated during the same times as fixed route service. Commuter bus operates weekdays 4:14 am – 8:12 pm.

VVTA operates a fleet of 58 vehicles for fixed-route service and 22 vehicles for commuter and intercity bus service. A total of 53 of these buses are FTA funded. VVTA also has a fleet of 48 vehicles operated by its contractor for ADA paratransit service of which 40 are FTA funded.

2. Award and Project Activity

Below is a list of VVTA's open awards at the time of the review.

Award Number	Award Amount	Year Executed	Description
CA-2017-092-00	\$10,530,327	2018	FY17 Operating and Capital Projects
CA-2016-109-00	\$4,980,773	2016	FY16 Capital and Operating Assistance
CA-37-X178-00	\$336,301	2013	JARC Mobility Management
CA-57-X091-00	\$156,428	2013	Section 5317 Mobility Management
CA-95-X132-00	\$1,307,000	2011	Capital and Operating Assistance

Projects Completed

In the past few years, VVTA has completed the following noteworthy projects:

- Purchase of fixed route, commuter, paratransit and electric service vehicles
- Service expansions throughout territory
- VVTA merger with Barstow Area Transit
- Upgrade of dispatch and reservation systems to Ecolane

Ongoing Projects

VVTA is currently in the process of implementing the following noteworthy projects:

- Initiated Victor Valley College RAM Pass revenue agreement in January of 2015
- Annual transit amenities projects throughout the service area
- Various Technology Upgrades

Future Projects

VVTA plans to pursue the following noteworthy projects in the next three to five years:

- RFP for new service operator contract
- Construct Transfer Centers in the Cities of Victorville and Hesperia
- ITS and revenue collection systems upgrades
- Implement major service changes including service expansion in Barstow

IV. Results of the Review

1. Legal

Basic Requirement: The recipient must promptly notify the Federal Transit Administration (FTA) of legal matters and additionally notify the U.S. Department of Transportation (US DOT) Office of Inspector General (OIG) of any instances relating to false claims under the False Claims Act or fraud. Recipients must comply with restrictions on lobbying requirements.

Finding: During this Triennial Review of VVTA, no deficiencies were found with the FTA requirements for Legal.

2. Financial Management and Capacity

Basic Requirement: The recipient must have financial policies and procedures; an organizational structure that defines, assigns and delegates authority; and financial management systems in place to match, manage, and charge only allowable cost to the award. The recipient must conduct required single audits and provide financial oversight of subrecipients.

Finding: During this Triennial Review of VVTA, deficiencies were found with the FTA requirements for Financial Management and Capacity.

F1-1: Missing, insufficient, or out of date financial operating procedures

Recipients must have financial policies and procedures to ensure effective financial management of FTA awards and establish a system of internal controls to safeguard against waste, loss, and misuse of federal funds.

VVTA's financial policies and procedures do not currently include the requirement that FTA funds may only be expended on allowable costs in accordance with 2 CFR Part 200 Subpart E—Cost Principles.

Corrective Actions and Schedule: By January 15, 2019, VVTA must develop and submit to the FTA regional office financial operating procedures for managing FTA award funds in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. This must include procedures for determining allowability of cost and timely distribution of funds and reflect recommendations from audit findings or significant changes in the organization. The recipient must submit documentation that it has trained appropriate staff on the new policies and procedures.

3. Technical Capacity - Award Management

Basic Requirement: The recipient must report progress of projects in awards to the FTA timely.

Finding: During this Triennial Review of VVTA, no deficiencies were found with the FTA requirements for Technical Capacity – Award Management.

4. Technical Capacity – Program Management and Subrecipient Oversight

Basic Requirement: The recipient must follow the public involvement process for transportation plans; develop and submit a State Management Plan to the FTA for approval; report in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) on subawards; and ensure subrecipients comply with the terms of the award.

Finding: During this Triennial Review of VVTA, no deficiencies were found with the FTA requirements for Technical Capacity – Program Management and Subrecipient Oversight.

5. Technical Capacity – Project Management

Basic Requirement: The recipient must be able to implement FTA-funded projects in accordance with the award application, FTA Master Agreement, and all applicable laws and regulations, using sound management practices; and prepare force account plans.

Finding: During this Triennial Review of VVTA, no deficiencies were found with the FTA requirements for Technical Capacity – Project Management.

6. Satisfactory Continuing Control

Basic Requirement: The recipient must ensure that FTA-funded property will remain available to be used for its originally authorized purpose throughout its useful life until disposition.

Finding: During this Triennial Review of VVTA, no deficiencies were found with the FTA requirements for Satisfactory Continuing Control.

7. Maintenance

Basic Requirement: Recipients must keep federally funded vehicles, equipment, and facilities in good operating condition. Recipients must keep Americans with Disabilities Act (ADA) accessibility features on all vehicles, equipment, and facilities in good operating order.

Finding: During this Triennial Review of VVTA, deficiencies were found with the FTA requirements for Maintenance.

M2-1: Late vehicle/vessel preventive maintenance

Recipients that use FTA assistance to purchase assets must keep those assets in good condition and good operating order.

The reviewer tested the maintenance intervals for six vehicles; three fixed route and three paratransit vehicles. Each vehicle had at least one instance of a late maintenance, based on mileage intervals, within the last 12 months. Two vehicles had 4 instances each of late maintenance within the last 12 months.

Corrective Actions and Schedule: By January 15, 2019, VVTA must submit to the FTA regional office:

- procedures for completing preventive maintenance inspections on time.
- a monthly report signed by the chief executive officer or other senior management designee on preventive maintenance results until the data demonstrate the recipient has conducted 80 percent of its preventive maintenance on time for three consecutive months. For each vehicle/vessel that received a preventive maintenance inspection during the month, the recipient must include with the submittal to the FTA regional office:
 - a report that lists the vehicle/vessel number, date of the inspection, mileage of the current inspection, mileage of the previous inspection, and the mileage interval between the two inspections for each vehicle/vessel that received a preventive maintenance inspection during the month. List the percentage of the inspections performed on time.
 - back-up documentation for each vehicle/vessel (e.g., copy of work order, printout from the maintenance management system) documenting the date and mileage of the inspection.

8. Procurement

Basic Requirement:

States: When procuring property and services under a Federal award, a state must follow the same policies and procedures it uses for procurements from its non-Federal funds. The state will comply with 2 CFR §200.322 (*Procurement of Recovered Materials*) and ensure that every purchase order or other contract includes any clauses required by section 2 CFR §200.326 (*Contract Provisions*). All other non-Federal entities, including subrecipients of a state, will follow 2 CFR §§200.318 (*General Procurement Standards*) through 200.326 (*Contract Provisions*).

Non-state recipients: The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, and conform to applicable Federal law and the standards identified in 2 CFR part 200.

Finding: During this Triennial Review of VVTA, deficiencies were found with the FTA requirements for Procurement.

During the site visit, four procurement files were reviewed; 1) Sole source purchase of materials for shelters, 2) purchase of buses based on the CalACT/MBTA agreement, 3) small procurement for a bus engine rebuild, and 4) a change order for a transmission rebuild.

Procurement #	1	2	3	4
Goods/Services Procured	Material Purchase for Shelter Materials	Bus Purchase	Materials/Services or Engine Rebuild	Transmission Rebuild (Change Order)
Date	5/19/2016	10/3/2017	10/18/2016	10/6/2017
Dollar Value	\$87,616	\$3,687,295	\$11,173	\$19,522
Type	Materials	Rolling Stock	Materials/Services	Materials/Services
Method	Sole Source	Joint Procurement	RFQ	Change Order
New Start or Small Start	No	No	No	No
Awarded by Contractors or Subrecipients	No	No	Yes	Yes
Change Order	No	No	No	Yes
DBE Goal	No	No	No	No
Protest	No	No	No	No
Deficiencies	See below	No	See below	See below

The deficiencies identified in the above table are as follows:

Procurement #1: a) Incomplete written documentation of procurement history; 2) Lacking required justifications and documentation for sole-source awards; 3) Lacking independent cost estimate; 4) Lacking required cost/price analysis

Procurement #3: a) Incomplete written documentation of procurement history; 2) Lacking independent cost estimate; 3) Lacking required cost/price analysis

Procurement #4: a) Incomplete written documentation of procurement history; 2) Lacking required cost/price analysis

P5-1: Incomplete Written Documentation of Procurement History

Recipients must maintain records sufficient to detail the significant history of a procurement. At a minimum, such records must include:

- Rationale for the method of procurement (i.e., request for proposals, invitation for bids, sole source)
- Selection of contract type (i.e., fixed price, cost reimbursement)
- Reason for contractor selection or rejection
- Basis for the contract price (i.e., cost/price analysis)

All the procurements reviewed with the exception of the bus procurement were deficient in this area. The sole source purchase of shelter material and the engine rebuild did not include the required elements. The change order for the transmission rebuild did not include a cost/price analysis.

Corrective Actions and Schedule: By January 15, 2019, VVTA must submit to the FTA regional office evidence that the deficiencies identified in its record-keeping process have been corrected.

P8-5: Lacking required justifications and documentation for sole-source awards

The non-Federal entity must appropriately use one of the following methods of procurement: micro-purchase, small purchase, sealed bid, competitive proposals or non-competitive proposals. Upon receiving a single bid or single proposal in response to a solicitation, the recipient should determine if competition was adequate. This should include a review of the specifications for undue restrictiveness and might include a survey of potential sources that chose not to submit a bid or proposal.

The contract file for the sole source purchase of bus shelters did not have an adequate sole source justification. The justification did not adequately explain why no other materials were suitable for the requirement. Upon further discussion with VVTA, the actual basis for the sole source recommendation was the establishment of a standard for shelter materials in order to establish a common look and application for station amenities, while reducing effort for maintenance. While the establishment of such standards may be beneficial to establish a system wide common look and feel for station amenities, and may reduce inventory requirements or maintenance efforts, they may be inconsistent with FTA requirements for full and open competition. It is recommended that VVTA address this matter specifically with the Regional Office to avoid future sole source issues.

Corrective Actions and Schedule: By January 15, 2019, VVTA must submit to the FTA regional office evidence of an implemented policy to ensure that future sole source procurements are properly conducted and documented. Where contracts are ongoing, confer with the FTA regional office to determine if the recipient should be directed not to exercise any options, or possibly terminate the existing contract for convenience, and rebid for the required goods and services in accordance with Federal requirements. For the next procurement, submit to the FTA regional office documentation that the required process was implemented.

P10-1: Lacking independent cost estimate

Recipients must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold. As a starting point, the recipient must make independent estimates before receiving bids or proposals.

The contract files for the sole source purchase of bus shelter materials and the engine rebuild did not include an independent cost estimate. These procurements are below the simplified acquisition threshold; however, VVTA's procedures require an ICE in such instances.

Corrective Actions and Schedule: By January 15, 2019, VVTA must provide the FTA regional office documentation that it has updated its procurement process to include development of independent cost estimates prior to receipt of bids or proposals. For the next procurement, submit to the FTA regional office documentation that the required process was implemented.

P10-2: Lacking required cost/price analysis

Recipients must perform cost or price analyses in connection with every procurement exceeding the Simplified Acquisition Threshold (currently \$150,000); after receiving bids, but before awarding a contract. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation. A cost analysis must be performed for: (1) procurements which

require that offerors submit detailed elements of direct and indirect costs; (2) procurements where adequate price competition is lacking; and/or (3) sole-source procurements, unless price reasonableness can be established based on market prices. Price analysis (i.e., using catalog or market prices) may be performed for all other procurements.

The contract files for the sole source purchase of bus shelter materials, the engine rebuild, and the change order for transmission rebuild did not include a cost/price analysis. The contract for the engine rebuild is below the simplified acquisition threshold, but VVTA's procedures require a cost/price analysis in such instances.

Corrective Actions and Schedule: By January 15, 2019, VVTA must provide the FTA regional office documentation that it has updated its procurement process to include performing applicable cost or price analysis procurements above the Simplified Acquisition Threshold. For the next applicable procurement, submit to FTA documentation that the required analysis was implemented.

9. Disadvantaged Business Enterprise

Basic Requirement: Recipients must comply with 49 CFR Part 26 to ensure nondiscrimination in the award and administration of US DOT-assisted contracts. Recipients also must create a level playing field on which Disadvantaged Business Enterprises (DBEs) can compete fairly for US DOT-assisted contracts.

Finding: During this Triennial Review of VVTA, deficiencies were found with the U.S. Department of Transportation (US DOT) requirements for DBE.

DBE5-1: DBE uniform reports contain inaccuracies and/or are missing required information.

Uniform Reports of DBE Awards or Commitments and Payments must include all required information. Recipients of FTA funds are expected to keep accurate data regarding contracts awarded and paid with FTA dollars and report on such per the instructions for completing the Uniform Report of DBE Awards or Commitments and Payments.

VVTA has submitted the semi-annual DBE reports since the last Review. However, the reports have been submitted incorrectly. VVTA has not captured all FTA funded contract activity in the reports and has not included payment information for all FTA funded contracts since the last review. As a result, VVTA will be required to correct and resubmit the reports. In addition, the correction and re-submission of the reports may result in a DBE shortfall in one or more annual periods since the last Review. If this is the case, VVTA must also prepare and submit to the RCRO a DBE shortfall analysis along with corrective actions.

Corrective Actions and Schedule: By January 15, 2019, VVTA must submit corrected reports, including the reports due June 1 and December 1 for FY's 2015, 2016, and 2017, to the FTA RCRO, along with implemented procedures for correctly completing Uniform Reports of DBE Awards or Commitments and Payments. The recipient must submit a revised DBE Program to correctly describe how it will implement accurate reporting.

10. Title VI

Basic Requirement: The recipient must ensure that no person shall, on the grounds of race, color, or national origin, be excluded from participating in, or be denied the benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance without regard to whether specific projects or services are federally funded. The recipient must ensure that all transit services and related benefits are distributed in an equitable manner.

Finding: During this Triennial Review of VVTA, no deficiencies were found with the FTA requirements for Title VI.

11. Americans With Disabilities Act - General

Basic Requirement: Titles II and III of the Americans with Disabilities Act of 1990 provide that no entity shall discriminate against an individual with a disability in connection with the provision of transportation service. The law sets forth specific requirements for vehicle and facility accessibility and the provision of service, including complementary paratransit service.

Finding: During this Triennial Review of VVTA, no deficiencies were found with the US DOT requirements for Americans With Disabilities Act (ADA) – General.

12. Americans With Disabilities Act - Complementary Paratransit

Basic Requirement: Titles II and III of the Americans with Disabilities Act of 1990 provide that no entity shall discriminate against an individual with a disability in connection with the provision of transportation service. The law sets forth specific requirements for vehicle and facility accessibility and the provision of service, including complementary paratransit service.

Finding: During this Triennial Review of VVTA, no deficiencies were found with the US DOT requirements for ADA – Complementary Paratransit.

13. Equal Employment Opportunity

Basic Requirement: The recipient must ensure that no person in the United States shall on the grounds of race, color, religion, national origin, sex, age, or disability, be excluded from participating in, or denied the benefits of, or be subject to discrimination in employment under any project, program, or activity receiving Federal financial assistance under the Federal transit laws. (Note: Equal Employment Opportunity Commission's regulation only identifies/recognizes religion and not creed as one of the protected groups.)

Finding: During this Triennial Review of VVTA, no deficiencies were found with the FTA requirements for Equal Employment Opportunity (EEO).

14. School Bus

Basic Requirement: Recipients are prohibited from providing school bus service in competition with private school bus operators unless the service qualifies and is approved by the FTA Administrator under an allowable exemption. Federally funded equipment or facilities cannot be used to provide exclusive school bus service.

Finding: During this Triennial Review of VVTA, no deficiencies were found with the FTA requirements for School Bus.

15. Charter Bus

Basic Requirement: Recipients are prohibited from using federally funded equipment and facilities to provide charter service if a registered private charter operator expresses interest in providing the service. Recipients are allowed to operate community based charter services excepted under the regulations.

Finding: During this Triennial Review of VVTA, no deficiencies were found with the FTA requirements for Charter Bus.

16. Drug-Free Workplace Act

Basic Requirement: Recipients are required to maintain a drug-free workplace for all award-related employees; report any convictions occurring in the workplace timely; and have an ongoing drug-free awareness program.

Finding: During this Triennial Review of VVTA, no deficiencies were found with the FTA requirements for Drug-Free Workplace Act.

17. Drug and Alcohol Program

Basic Requirement: Recipients receiving Section 5307, 5309, 5311, or 5339 funds that have safety-sensitive employees must have a drug and alcohol testing program in place for such employees.

Finding: During this Triennial Review of VVTA, no deficiencies were found with the FTA requirements for Drug and Alcohol Program.

18. Section 5307 Program Requirements

Basic Requirements: For fixed-route service supported with Section 5307 assistance, fares charged seniors, persons with disabilities or an individual presenting a Medicare card during off peak hours will not be more than one half the peak hour fares.

Recipients are expected to have a written, locally developed process for soliciting and considering public comment before raising a fare or carrying out a major transportation service reduction.

Recipients shall develop, publish, afford an opportunity for a public hearing on, and submit for approval, a program of projects (POP).

Recipients must annually certify that they are spending at least one percent of such funds for transit security projects or that such expenditures for security systems are not necessary.

Recipients must ensure that least one percent of such funds are expended on associated transit enhancement projects.

Finding: During this Triennial Review of VVTA, deficiencies were found with the FTA requirements for Section 5307 Program Requirements.

5307:3-2: Public comment policy missing required elements

Recipients are expected to have a written policy that describes the public comment process on increases in the basic fare structure and on major service reductions.

During the site visit, VVTA provided a public comment policy for service reductions. As a result of the review of the policy, the Summary of Preliminary Findings (SOPF) provided at the exit conference included preliminary finding 5307:3-2 because the submitted documents did not include a discussion of fare changes or a discussion of how VVTA will consider public comments received.

Subsequent to the site visit, and prior to the issuance of the draft report, VVTA provided a public comment policy, executed at the time of the policy for service reductions, addressing fare changes. The submitted policy for fare changes, as is the case for the policy for service reductions, does not include a discussion of how VVTA will consider public comments received.

As a result, the finding included in the draft report was updated to reflect that VVTA's public comment policies do not include a discussion of how public comments received will be considered.

Subsequent to the issuance of the draft report, VVTA provided corrective action responses to address the deficiency noted above in the Section 5307 Program Requirements section of the report that follows. Specifically, VVTA submitted updated draft procedures that outline the processes by which it will consider any public comments received. The updated procedures are sufficient to close the finding in this area, and the finding will be closed upon approval of the updated procedure by VVTA's Board of Directors, along with appropriate documentation of such approval.

Corrective Actions and Schedule: VVTA has submitted updated procedures to address the findings in this section, relative to the manner in which public comments will be considered as a result of public hearings regarding fare increases or major service reductions. Upon final approval of the updated procedures by VVTA's Board of Directors, along with the appropriate documentation of such approval, this finding will be closed. However, in no event shall the approval of such procedures extend past January 15, 2019.

19. Section 5310 Program Requirements

Basic Requirement: Recipients must expend funds on eligible projects that meet the specific needs of seniors and individuals with disabilities. Projects selected for funding under the Section 5310 program must be included in a locally developed, coordinated public transit-human services transportation plan. Recipients must approve all leases of Section 5310-funded vehicles and ensure that leases include required terms and conditions. Either the recipient or subrecipient must hold title to the leased vehicles.

This review area only applies to recipients that receive Section 5310 funds, therefore, the requirements of this review area are not applicable to the review of VVTA.

20. Section 5311 Program Requirements

Basic Requirement: Recipients must expend funds on eligible projects to support rural public transportation services and intercity bus transportation.

This review area only applies to recipients that receive Section 5311 funds, therefore, the requirements of this review area are not applicable to the review of VVTA.

V. Summary of Findings

Review Area	Deficiencies		Corrective Action	Response Due Date	Date Closed
	Code	Description			
1. Legal	ND				
2. Financial Management and Capacity	D: F1-1	Missing, insufficient, or out of date financial operating procedures	The recipient must develop and submit to the FTA regional office financial operating procedures for managing FTA award funds in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. This must include procedures for determining allowability of cost and timely distribution of funds and reflect recommendations from audit findings or significant changes in the organization. The recipient must submit documentation that it has trained appropriate staff on the new policies and procedures.	January 15, 2019	
3. Technical Capacity -- Award Management	ND				
4. Technical Capacity -- Program Management and Subrecipient Oversight	ND				
5. Technical Capacity -- Project Management	ND				
6. Satisfactory Continuing Control	ND				
7. Maintenance	D: M2-1	Late vehicle/vessel preventive maintenance	The recipient must submit to the FTA regional office: <ul style="list-style-type: none"> · procedures for completing preventive maintenance inspections on time. · a monthly report signed by the chief executive officer or other senior management designee on preventive maintenance results until the data demonstrate the recipient has conducted 80 percent of its preventive maintenance on time for three consecutive months. For each vehicle/vessel that received a preventive maintenance inspection during the month, the recipient must include with the submittal to the FTA regional office: <ul style="list-style-type: none"> o a report that lists the vehicle/vessel number, date of the inspection, mileage of the current inspection, mileage of the previous inspection, and the mileage interval between the two inspections for each vehicle/vessel that received a preventive maintenance inspection during the month. List the percentage of the inspections performed on time. o back-up documentation for each vehicle/vessel (e.g., copy of work order, printout from the maintenance 	January 15, 2019	

Review Area	Deficiencies		Corrective Action	Response Due Date	Date Closed
	Code	Description			
			management system) documenting the date and mileage of the inspection.		
8. Procurement	D: P5-1	Incomplete written documentation of procurement history	The recipient must submit to the FTA regional office evidence that the deficiencies identified in its record-keeping process have been corrected.	January 15, 2019	
	D: P8-5	Lacking required justifications and documentation for sole-source awards	The recipient must submit to the FTA regional office evidence of an implemented policy to ensure that future sole source procurements are properly conducted and documented. Where contracts are ongoing, confer with the FTA regional office to determine if the recipient should be directed not to exercise any options, or possibly terminate the existing contract for convenience, and rebid for the required goods and services in accordance with Federal requirements. For the next procurement, submit to the FTA regional office documentation that the required process was implemented.	January 15, 2019	
	D: P10-1	Lacking independent cost estimate	The recipient must provide the FTA regional office documentation that it has updated its procurement process to include development of independent cost estimates prior to receipt of bids or proposals. For the next procurement, submit to the FTA regional office documentation that the required process was implemented.	January 15, 2019	
	D:P10-2	Lacking required cost/price analysis	The recipient must provide the FTA regional office documentation that it has updated its procurement process to include performing applicable cost or price analysis procurements above the Simplified Acquisition Threshold. For the next applicable procurement, submit to FTA documentation that the required analysis was implemented.	January 15, 2019	
9. Disadvantaged Business Enterprise (DBE)	D:DBE5-1	DBE uniform reports contain inaccuracies and/or are missing required information	The recipient must submit corrected reports, including the reports due June 1 and December 1 for FY's 2015, 2016, and 2017, to the FTA RCRO, along with implemented procedures for correctly completing Uniform Reports of DBE Awards or Commitments and Payments. The recipient must submit a revised DBE Program to correctly describe how it will implement accurate reporting.	January 15, 2019	
10. Title VI	ND				
11. Americans With Disabilities Act (ADA) - General	ND				
12. Americans With Disabilities Act (ADA) - Complementary Paratransit	ND				

Review Area	Deficiencies		Corrective Action	Response Due Date	Date Closed
	Code	Description			
13. Equal Employment Opportunity (EEO)	ND				
14. School Bus	ND				
15. Charter Bus	ND				
16. Drug-Free Workplace Act	ND				
17. Drug and Alcohol Policy	ND				
18. Section 5307 Program Requirements	D: 5307:3-2	Public comment policy missing required elements	The recipient must submit to the FTA regional office an amended public comment policy addressing all required elements for soliciting and considering public comments prior to a fare increase or major service reduction.	January 15, 2019	
19. Section 5310 Program Requirements	NA				
20. Section 5311 Program Requirements	NA				

VI. Attendees

Name	Title	Phone Number	E-mail Address
VVTA			
Kevin Kane	Executive Director	760 995-3599	kkane@vvta.org
Steve Riggs	Finance Director	760 995-3590	sriggs@vvta.org
Nancie Goff	Deputy Executive Director	760 995-3495	ngoff@vvta.org
Ron Zirges	Facilities/Maintenance Director	760 995-3585	rzirges@vvta.org
Aaron Moore	CTSA Director	760 995-3560	amoore@vvta.org
Christine Plasting	Procurement Manager	760 995-3583	cplasting@vvta.org
Simon Herrera	Operation Manager	760 995-3586	sherrera@vvta.org
Fidel Gonzales	Marketing Coord./Title VI	760 995-3592	fgonzales@vvta.org
Dustin Strandberg	Fleet Analyst	760 995-3580	dstrandberg@vvta.org
Denise Madrid	Financial Analyst (Grants)	760-948-4021	dmadrid@vvta.org
Contractor(s) Transdev, Inc.			
Lora Sanchez	Operations Manager/ Interim GM	760 995-3460	lora.sanchez@transdev.com
Sue Crane	Safety Director	760 995-9769	sue.crane@transdev.com
FTA			
Audrey Bredehoft	Director, Office of Financial Management and Program Oversight-TRO-9	415-734-9453	Audrey.bredehoft@dot.gov
Marisa Appleton	Civil Rights Officer for Oversight	312-705-1270	Marisa.Appleton@dot.gov
Lynette Little	Civil Rights Officer-Region IX	415-734-9464	Lynette.little@dot.gov
CDI/DCI Joint Venture			
Alan Stapler	Reviewer	917-887-1255	astapler1@gmail.com

VII. Appendices

No appendices included in this report.

**AGENDA ITEM
FIVE**

VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Transportation Development Act (TDA) Triennial Performance Audit for Fiscal Years 2015 - 2017.

SUMMARY STATEMENT

In order to continue receiving LTF funding which is tied to the Transportation Development Act (TDA); the California Public Utilities Code Sections 99246(a) and 99248 require that the San Bernardino County Transportation Authority (SBCTA), acting as the County Transportation Commission, designate an entity other than itself to perform Triennial Performance Audits on each of the transit operators that receive TDA/LTF funding. These audits are subsequently submitted to the California Department of Transportation (Caltrans). SBCTA hired Michael Baker International to conduct the TDA Triennial Performance Audit of the five (5) public transit operators under its jurisdiction. The audit serves to ensure accountability in the use of public transportation revenue.

On February 26, 2018, VVTA underwent its comprehensive TDA audit. This systems performance and functional review covered Fiscal Years 2014 – 2015 through 2016 – 2017. The extensive review focused on the agency's adherence to eight (8) significant TDA requirements. VVTA fully complied with 100% of the requirements audited.

While the agency met all requirements of the TDA audit, three (3) recommendations were developed to assist in improving operational efficiency and effectiveness as noted in the attached report. Additionally, the study recognized that the six (6) recommendations (4 Hesperia - 2 Barstow) from the previous review period have been successfully implemented.

RECOMMENDED ACTION

Receive and File TDA Triennial Performance Audit Report for Fiscal Year 2015 Through Fiscal Year 2017.

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
None	N/A	November 19, 2018	5

Executive Summary

The San Bernardino County Transportation Authority (SBCTA) engaged Michael Baker International (Michael Baker) to conduct the Transportation Development Act (TDA) triennial performance audit of the five public transit operators under its jurisdiction. The performance audit serves to ensure accountability in the use of public transportation revenue. This performance audit is conducted for Victor Valley Transit Authority (VVTA), covering the most recent triennial period, fiscal years 2014-15 through 2016-17.

The audit includes a review of the following areas:

- Compliance with TDA Requirements
- Status of Prior Audit Recommendations
- System Performance Trends
- Functional Review

From the review, recommendations were developed to improve the operational efficiency and effectiveness of VVTA.

Compliance with TDA Requirements

VVTA fully complied with all eight applicable requirements. In addition, new state legislation passed (AB 1113 - Bloom) on July 21, 2017, changed the timeline to submit the annual Transit Operators Financial Transaction Reports to the State Controller, effective reporting year FY 2017. Three additional compliance requirements did not apply to VVTA (i.e., rural and urban farebox recovery ratios, and operator retirement system under Article 4).

Status of Prior Audit Recommendations

VVTA implemented the four prior audit recommendations. The recommendations pertained to using allowable TDA provisions to improve farebox recovery; increasing administrative staff levels; developing an asset management plan; and going live with a system-wide map. The two prior recommendations for Barstow Area Transit (BAT) addressed in this audit were fully implemented. BAT recommendations pertained to operations data collecting and reporting and the development of a capital improvement plan.

System Performance Trends

1. VVTA's farebox recovery ratio remained above the intermediate 15 percent standard established by SBCTA for fixed route and 10 percent for Direct Access, the ADA complementary paratransit service. The average for the three-year period for fixed route was

15.6 percent, and 12.2 percent for Direct Access. A downward trend for the fixed route ratio emerged toward the end of the audit period as several factors contributed to the additional operating expenses including the integration of Barstow transit services. Farebox ratios are audited figures from the TDA fiscal audits and include local support revenue such as Measure I.

2. Operating costs based on audited data increased system-wide 29.6 percent from the FY 2014 base year through FY 2017. VVTA fixed route operating costs based on audited data increased by a comparable 29.7 percent from the FY 2014 base year through FY 2017 while Direct Access demand response costs increased by 16.9 percent over the same period. Most of the cost growth occurred in FYs 2015 and 2016 from implementation of new fixed route services and as Barstow transit operations merged with VVTA. In a sign of VVTA actively managing its paratransit program cost, Direct Access operating costs have declined as a percentage of total VVTA operations.
3. After a period of ridership growth, there was a slight decrease of 1.6 percent system-wide for the three-year period, including a decrease of 4.4 percent on the fixed route. Offsetting this trend was the 34.9 percent increase in ridership on Direct Access. VVTA reduced headways on key fixed routes to induce ridership while drawing a level of passengers away from the demand-responsive service, a planned service strategy to improve productivity. Ridership growth continued on Direct Access with the integration of the Barstow service area.
4. Operating cost per passenger, a measure of cost effectiveness, increased by 29 percent system-wide. For fixed route service, cost per passenger increased by 35.7 percent whereas on Direct Access, cost per passenger decreased 13.3 percent. Operating costs for fixed route rose 13.3 percent in FY 2016 with a 1.4 percent decrease in ridership, leading to an increase in the operating cost per passenger. Although FY 2017 saw a smaller increase in fixed route operating costs of 3.3 percent, ridership decreased 12.6 percent year over year.
5. Operating cost per vehicle service hour, a measure of cost efficiency, increased slightly by 0.2 percent system-wide, with a 2.6 percent increase for fixed route and an 8.3 percent decrease for demand response. Operating cost per vehicle service mile, another measure of cost efficiency, increased by 4.2 percent system-wide, with a 5.3 percent increase for fixed route and a 0.5 percent decrease for demand response.
6. Passengers per vehicle service hour, a measure of service efficiency, decreased by 22.3 percent system-wide, while passengers per vehicle service mile, another measure of service efficiency, decreased by 19.2 percent system-wide. For fixed route service, passengers per hour decreased by 24.4 percent and passengers per mile decreased by 22.4 percent. For demand response service, passengers per hour increased slightly by 5.9 percent, whereas passengers per mile increased 14.8 percent.

Functional Review

1. One notable change was the CTSA designation by SBCTA in June 2015 for the Victor Valley and High Desert regions. The CTSA is responsible for the administration, coordination and oversight of 12 mobility management programs primarily targeted to seniors, persons with disabilities, and low-income individuals. The CTSA helps to promote non-profit transportation programs and travel training which also alleviates heavy demand for the Direct Access service.
2. VVTA has upgraded bus stops featuring new signage and activated electronic fareboxes in Barstow to match those used by VVTA, and planned for the construction of two transfer centers in Hesperia and Victorville. The integration of BAT routes has gone well based on the feedback received from the City of Barstow and ridership trends.
3. VVTA has been instrumental in expanding mobility options to Needles through the sponsorship of a carshare program and implementation of a weekly lifeline service to the Victor Valley. VVTA implemented Route 200 in June 2016, designated as the "Needles Link," which provides service from Needles to Barstow and Victorville on Fridays.
4. Operations and maintenance personnel for VVTA are contracted through Transdev North America. The contract operator employs 220 full-time personnel including 159 drivers with no extraboard. Driver hiring increased significantly upon the implementation of new services. In addition, BAT employees formerly employed by contract operator MV Transportation were absorbed by Transdev during the merger.
5. VVTA commissioned an update to its Comprehensive Operations Analysis and Short-Range Transit Plan, which was completed in February 2017. The document is composed of 15 chapters plus appendices and provides an in-depth review of individual route performance and recommendations for new services and infrastructure.
6. VVTA created a new Operations Department by consolidating procurement, contract compliance, marketing, route planning and IT services. The senior operations manager was the former general manager with the contract operator.
7. VVTA's executive director and staff have been recognized for their leadership and innovation by transit industry organizations. VVTA was awarded Outstanding Coordination Effort Award of the Year by the California Association for Coordinated Transportation at its 2017 Spring Conference and Expo in Lake Tahoe. The California Transit Association awarded its prestigious Distinguished Service Award to VVTA's executive director/CEO in November 2017.

Recommendations

Performance Audit Recommendation	Background	Timeline
#1 Improve on-time performance.	<p>VVTA monitors on-time performance by sampling trips on its various service modes and routes. A bus is considered on time if it departs from a time point between the scheduled time and up to five minutes after the scheduled time. A bus is not on time if it departs earlier than the scheduled time or departs more than five minutes after the scheduled time. Based on the on-time performance indicator on the TransTrack executive dashboard feature, VVTA's system-wide FY 2017 on-time performance rate was 82.64 percent. There were no on-time performance data reported in TransTrack prior to FY 2017.</p> <p>Furthermore, a sampling of on-time performance data provided by VVTA and compiled by the contract operator during the audit period shows a wide variation, from 67.22 percent of trips on-time for intercity Route 15 to a 100 percent of trips on-time for Direct Access. Local and regional fixed route on-time trip performance ranged from a low of 77.85 percent to 99.19 percent. VVTA attributes several factors to the variation of on-time trips, with increased traffic congestion and railroad crossing delays primary contributors, along with driver turnover. The nature of the pulse system of routes also creates challenges to alter service. It is recommended that VVTA continue taking measures to evaluate service in detail and improve on-time performance through route and schedule adjustments, as well as performance reviews with the contract operator and enforcement of contract provisions relating to maintaining schedule adherence. Recent COA/SRTP recommendations provide technical data for route modification.</p>	High Priority
#2 Develop additional key performance indicators to report organization efficiencies.	A key performance indicator (KPI) is a metric that is used to gauge the effectiveness of organizational goals, policies, and procedures. KPIs provide objective evidence of progress	High Priority

Performance Audit Recommendation	Background	Timeline
	<p>toward achieving a desired result. During the audit period, VVTA underwent an administrative restructuring and added staffing in key areas, including the finance department, to address its growing operations. The restructuring included the consolidation of the procurement, contract compliance, marketing, route planning, and information technology services function under the Operations Department. In addition, VVTA added metric reports to its annual budgeting process, which have been well received by its governing board. KPIs are also found in TransTrack to measure vehicle operations.</p> <p>It is suggested that VVTA further its KPI program and investigate administrative type indicators that demonstrate internal efficiencies from the organizational changes. Additional measures can be suggested from external sources, including the American Bus Benchmarking Group, the Transit Cooperative Research Program for Transit Performance-Measurement System, and the Mineta Transportation Institute. Example measures of internal staff productivity from these sources include vehicle service hours and miles per administrative pay hour; administrative cost per vehicle service hour and mile; administrative labor hours per vehicle hour; passenger trips per administrative employee; and cost/number of administrative staff to operations staff. VVTA should consider and implement at least one or more administrative measures for its KPI program and gain useful information regarding the agency's organizational structure and administrative efficiency.</p>	
<p>#3 Conduct succession planning.</p>	<p>VVTA's executive management has been with VVTA for many years. With anticipation of about three to five years remaining for several high-level staff at the agency, it would be prudent for VVTA to identify and mentor potential successors from within the organization. Succession planning increases the availability of experienced and capable</p>	<p>High Priority</p>

Performance Audit Recommendation	Background	Timeline
	<p>employees who are prepared to assume these roles as they become available. Some recommended steps would include the development of an internal program that could include desktop procedures that document administrative processes, cross training and assessment, and management training opportunities. A review of the current rank-and-file position structure to enable continued staff growth and advancement would also help with retention strategies. VVTA is currently providing succession planning at an organic level. Any formal succession planning should be planned but would require additional resources and Board direction, including possible use of outside management consultant assistance.</p>	

**AGENDA ITEM
SIX**

VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

VVTA Annual National Transit Database (NTD) Statement for Fiscal Year Ending June 30, 2018 Completed by Vavrinek, Trine, Day and Company, LLP.

SUMMARY STATEMENT

This FY 2018 NTD report year is the fifth (5th) consecutive annual National Transit Database review for VVTA.

In 1974 Congress established the NTD to be the Nation's primary source for information and statistics on the transit systems of the United States and is used to calculate Federal funding formulas. Urban and rural transit grantees of Federal funding are required to report. The NTD also requires monthly operating and safety statistics reports from agencies such as VVTA that must file as a Full Reporter.

Transit agencies are responsible for the data that they report to the NTD. If the data do not follow NTD prescribed procedures or seem unreasonable or inaccurate—or an agency cannot provide a reasonable response to explain data—the NTD may publish the data with a 'questionable' notation.

Like many federal reviews, this in-depth review is performed for NTD by an Independent Auditor. The Independent auditor's statement is provided to the Board to receive and file. The results of the auditor's statement are that no events or instances of noncompliance were found that would require adjustment to or disclosure to the FFA-10 or Agreed Upon Procedures Report.

RECOMMENDED ACTION

Receive and file.

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
None	N/A	November 19, 2018	6

VICTOR VALLEY TRANSIT AUTHORITY
Agreed-Upon Procedures Performed
With Respect to the National Transit Database Report
For the Period
July 1, 2017 through June 30, 2018



VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Victor Valley Transit Authority
Hesperia, California

The Federal Transit Administration (FTA) has established the following standards with regard to the data reported to it in the Federal Funding Allocation Statistics Form FFA-10 (FFA-10) for the Victor Valley Transit Authority (VVTA) annual National Transit Database (NTD) report:

1. A system is in place and maintained for recording data in accordance with NTD definitions. The correct data are being measured and no systematic errors exist.
2. A system is in place to record data on a continuing basis and the data gathering is an ongoing effort.
3. Source documents are available to support the reported data and are maintained for FTA review and audit for a minimum of three years following FTA's receipt of the NTD report. The data are fully documented and securely stored.
4. A system of internal controls is in place to ensure the data collection process is accurate and that the recording system and reported comments are not altered. Documents are reviewed and signed by a supervisor, as required.
5. The data collection methods are those suggested by FTA or meet FTA requirements.
6. The deadhead miles, computed as the difference between the reported total actual vehicle miles data and the reported total actual vehicle revenue miles data, appear to be accurate.
7. Data are consistent with prior reporting periods and other facts known about VVTA's operations.

We have performed the procedures described in Attachment 1 of this report, which were agreed to by VVTA and the FTA and specified in the declarations section of the *2018 Policy Manual*, solely to assist you in evaluating whether VVTA complied with the standards described above and that the information included in the NTD report FFA-10 form for the year ended June 30, 2018, is presented in conformity with the requirements of the *Uniform System of Accounts and Records and Reporting System; Final Rule*, as specified in 49 CFR part 630, *Federal Register*, January 15, 1993 and as presented in the *2018 Policy Manual*. VVTA's management is responsible for VVTA's compliance with those standards and the accuracy of the FFA-10 form. The sufficiency of these procedures is solely the responsibility of VVTA and FTA. Consequently, we make no representation regarding the sufficiency of the procedures described in Attachment 1 either for the purpose for which this report has been requested or for any other purpose.

The procedures and findings described in Attachment 1 of this report, which are referenced in order to correspond to the *2018 Policy Manual* procedures, were performed separately to each of the information systems used to

develop the reported vehicle revenue miles (VRM), passenger miles (PM), and operating expenses of VVTA for the year ended June 30, 2018, and for each of the following modes: (1) Motor Bus - purchased transportation (MBPT), (2) Commuter Bus – purchased transportation (CBPT), (3) Demand Response - purchased transportation (DRPT) and (4) Vanpool Service - purchased transportation (VPPT).

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the procedures noted in Exhibit 79 of the *2018 Policy Manual* or on the FFA-10. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of VVTA management, VVTA Board of Directors and the FTA and is not intended to be and should not be used by anyone other than these specified parties.



Rancho Cucamonga, California
November 7, 2018

Excerpt from the FTA 2018 Policy Manual Exhibit 79 - Federal Funding Allocation Data Review Suggested Procedures:

FTA has specified and agreed to a set of procedures for the independent auditor to perform to satisfy the requirements of the Federal Funding Allocation data review. Several of the procedures below require the auditor to select a random sample of documents or data. The procedures do not specify the selected number (i.e., the percentage of the total documents/data). The auditor should use professional judgment to determine the percentage that will enable the auditor to make the required assurances.

The source documents and other records (such as data summaries) may be in the form of digital data files. The auditor should ensure that these files are securely stored and that a contingency plan is in place to ensure that the transit agency retains source documents for a minimum of three years:

- a. The procedures to be applied to each applicable mode and type of service (TOS) (directly- operated (DO) and purchased transportation (PT)) are: Obtain and read a copy of written system procedures for reporting and maintaining data in accordance with NTD requirements and definitions set forth in 49 CFR Part 630, Federal Register, dated January 15, 1993, and as presented in the 2018 Policy Manual. If there are no procedures available, discuss the procedures with the personnel assigned responsibility for supervising the NTD data preparation and maintenance.

Results - We obtained and read a copy of VVTA's Passenger Counting and Reporting (PCR) processing procedures. Based on our inquiry, we noted that VVTA maintains procedures that satisfy the NTD requirements and definitions set forth in 49 CFR Part 630, Federal Register, January 15, 1993 and as presented in the 2018 Policy Manual.

- b. Discuss the procedures (written or informal) with the personnel assigned responsibility for supervising the preparation and maintenance of NTD data to determine:
 - The extent to which the transit agency followed the procedures on a continuous basis, and
 - Whether these transit personnel believe such procedures result in accumulation and reporting of data consistent with NTD definitions and requirements set forth in 49 CFR Part 630, Federal Register, dated January 15, 1993, and as presented in the 2018 Policy Manual.

Results - We inquired regarding VVTA's procedures for the MBPT, CBPT, DRPT and VPPT services noting that the asserted procedures were consistently applied. In addition, based on our inquiry with the Deputy Executive Director and the CTSA Director, management asserted that the procedures resulted in the accumulation and reporting of data consistent with the NTD definitions and requirements set forth in 49 CFR Part 630, Federal Register, January 15, 1993 and as presented in the 2018 Policy Manual.

- c. Ask these same personnel about the retention policy that the transit agency follows as to source documents supporting NTD data reported on the Federal Funding Allocation Statistics form.

Results - We inquired with the Deputy Executive Director and the CTSA Director, regarding VVTA's retention policy for NTD data, Total Modal Operating Expenses data, Actual Vehicle Revenue Mile and Passenger Miles Traveled. Per inquiry, the current practice is to retain electronic data for more than the three year minimum.

- d. Based on a description of the transit agency's procedures from items (A) and (B) above, identify all the source documents that the transit agency must retain for a minimum of three years. For each type of source document, select three months out of the year and determine whether the document exists for each of these periods.

Results - We inspected the following source documents for each type of service, selected three months out of the year and determined that the documents existed for each of these periods:

<i>Type of Service</i>	<i>Source Document</i>	<i>Months Tested</i>
<i>MBPT</i>	<ul style="list-style-type: none"> • <i>MBPT Statistics Reports (queried from TransTrak system)</i> • <i>Random Sampling Database</i> • <i>Random Check Driver Trip Sheets</i> • <i>NTD Data Worksheets</i> • <i>Route plans</i> 	<ul style="list-style-type: none"> • <i>August 2017, November 2017 and March 2018.</i> • <i>Three years of data were noted to be archived on VVTA's network.</i>
<i>CBPT</i>	<ul style="list-style-type: none"> • <i>CBPT Statistics Reports (queried from TransTrak system)</i> • <i>Random Sampling Database</i> • <i>Random Check Driver Trip Sheets</i> • <i>NTD Data Worksheets</i> • <i>Route plans</i> 	<ul style="list-style-type: none"> • <i>August 2017, November 2017 and March 2018.</i> • <i>Three years of data were noted to be archived on VVTA's network.</i>
<i>DRPT</i>	<ul style="list-style-type: none"> • <i>DRPT Statistics Reports (queried from TransTrak system)</i> • <i>Random Sampling Database</i> • <i>NTD Data Worksheets</i> • <i>Ecolane Productivity Reports</i> • <i>Survey Trip Sheets</i> • <i>Driver Manifests</i> 	<ul style="list-style-type: none"> • <i>August 2017, November 2017 and March 2018.</i> • <i>Three years of data were noted to be archived on VVTA's network.</i>
<i>VPPT</i>	<ul style="list-style-type: none"> • <i>VPPT Statistics Reports (queried from TransTrak system)</i> • <i>Rider Log-in Website</i> • <i>Vanpool Route data from Website</i> • <i>NTD Data Worksheets</i> 	<ul style="list-style-type: none"> • <i>August 2017, November 2017 and March 2018.</i> • <i>Three years of data were noted to be archived on VVTA's network.</i>

- e. Discuss the system of internal controls. Inquire whether separate individuals (independent of the individuals preparing source documents and posting data summaries) review the source documents and data summaries for completeness, accuracy, and reasonableness and how often these individuals perform such reviews.

Results - We inquired regarding the system of internal controls noting that each respective mode/type of service is being reviewed by personnel independent of the preparation process. The review is performed monthly for the MBPT, CBPT, DRPT and VPPT modes.

- f. Select a random sample of the source documents and determine whether supervisors' signatures are present as required by the system of internal controls. If supervisors' signatures are not required, inquire how personnel document supervisors' reviews.

Results - We selected a haphazard sample of 40 Check Trip Sheets for the MBPT and CBPT services and noted supervisory signatures documenting reviews of the data presented without exception. For the DRPT service the Survey Trip Sheets are prepared and reviewed by the contractor who provides the survey data to VVTA. Management asserted that the data which is in electronic format is reviewed before being entered into the accumulation worksheets that compiles the NTD data. For VPPT, data is accumulated electronically by the drivers. Management asserted that the data which is in electronic format is reviewed before being entered into the accumulation worksheets that compiles the NTD data.

- g. Obtain the worksheets used to prepare the final data that the transit agency transcribes onto the Federal Funding Allocation Statistics form. Compare the periodic data included on the worksheets to the periodic summaries prepared by the transit agency. Test the arithmetical accuracy of the summaries.

Results - We obtained the worksheets utilized by VVTA to transcribe statistics to the Federal Funding Allocation Statistics form and compared the data to summaries without exception. We tested the arithmetical accuracy of the summarizations without exception.

- h. Discuss the procedure for accumulating and recording passenger miles traveled (PMT) data in accordance with NTD requirements with transit agency staff. Inquire whether the procedure is one of the methods specifically approved in the 2018 Policy Manual.

Results - Sampling was conducted for the MBPT, CBPT and DRPT modes. We inspected the sampling methodologies and noted that the sampling methodology used met the requirements of the 2018 Policy Manual.

The VPPT mode does not involve sampling. This mode used a 100% count of actual PM.

- i. Discuss with transit agency staff (the auditor may wish to list the titles of the persons interviewed) the transit agency's eligibility to conduct statistical sampling for PMT data every third year. Determine whether the transit agency meets NTD criteria that allow transit agencies to conduct statistical samples for accumulating PMT data every third year rather than annually. Specifically:

- According to the 2010 Census, the public transit agency serves an UZA with a population less than 500,000.
- The public transit agency directly operates fewer than 100 revenue vehicles in all modes in annual maximum revenue service (VOMS) (in any size UZA).
- Service purchased from a seller is included in the transit agency's NTD report.
- For transit agencies that meet one of the above criteria, review the NTD documentation for the most recent mandatory sampling year (2017) and determine that statistical sampling was conducted and meets the 95 percent confidence and ± 10 percent precision requirements.

- Determine how the transit agency estimated annual PMT for the current report year.

Results – VVTA meets NTD criteria that allow transit agencies to conduct statistical samples for accumulating PMT data every third year. For the current year they have chosen to perform statistical sampling for the MBPT and DRPT modes to reflect recent service changes. The 2017 statistical sampling was used for the CBPT mode which did not experience the same level of changes in the current year. The VPPT mode does not involve sampling. This modes use a 100% count of actual PMT.

- j. Obtain a description of the sampling procedure for estimation of PMT data used by the transit agency. Obtain a copy of the transit agency's working papers or methodology used to select the actual sample of runs for recording PMT data. If the transit agency used average trip length, determine that the universe of runs was the sampling frame. Determine that the methodology used to select specific runs from the universe resulted in a random selection of runs. If the transit agency missed a selected sample run, determine that a replacement sample run was random. Determine that the transit agency followed the stated sampling procedure.

Results – For the MBPT, CBPT and DRPT modes we obtained a copy of VVTA's methodology used in the statistical sampling to estimate Average PMT and determined that the methodology used by VVTA resulted in a random selection of runs and that the stated sampling procedure was followed.

The VPPT mode does not involve sampling since it uses a 100% count of actual PMT.

- k. Select a random sample of the source documents for accumulating PMT data and determine that the data are complete (all required data are recorded) and that the computations are accurate. Select a random sample of the accumulation periods and re-compute the accumulations for each of the selected periods. List the accumulations periods that were tested. Test the arithmetical accuracy of the summary.

Results - For MBPT and CBPT we randomly selected 40 surveyed routes from the statistical sampling performed for the current year. We verified the mathematical accuracy of the survey count sheets and that the data was properly input to the accumulation worksheet to perform the Average PMT calculation. No exceptions were found as a result of this procedure.

For DRPT we randomly selected 30 surveyed routes from the current year statistical sampling. We verified the mathematical accuracy of the survey count sheets and that the data was properly input to the accumulation worksheet to perform the Average PMT calculation. No exceptions were found as a result of this procedure.

For VPPT, we compared ridership being entered on the Vanpool internet database for August 2017, November 2017 and March 2018 against amounts uploaded to the Data Warehouse without exception. We also tested 6 Vanpool routes and verified the accuracy of calculations used to determine PMT with no exceptions noted as a result of these procedures.

- l. Discuss the procedures for systematic exclusion of charter, school bus, and other ineligible vehicle miles from the calculation of actual vehicle revenue miles with transit agency staff and determine that they follow the stated procedures. Select a random sample of the source documents used to record charter and school bus mileage and test the arithmetical accuracy of the computations.

Results - The procedure identified above is not applicable. Per inquiry with VVTA's management, VVTA did not provide charter, school bus or other ineligible services.

- m. For actual vehicle revenue mile (VRM) data, document the collection and recording methodology and determine that deadhead miles are systematically excluded from the computation. This is accomplished as follows:

- If actual VRMs are calculated from schedules, document the procedures used to subtract missed trips. Select a random sample of the days that service is operated, and re-compute the daily total of missed trips and missed VRMs. Test the arithmetical accuracy of the summary.

Results - For the MBPT and CBPT modes, VVTA calculates actual missed vehicle revenue miles using the TransTrak system. The system generates an accumulation of missed revenue miles per trip which are subtracted from scheduled revenue miles. We selected a sample of 10 missed trips for MBPT and 10 missed trips for CBPT and noted that those trips were subtracted from the scheduled revenue miles. No exceptions with the arithmetic accuracy were noted as the result of these procedures.

- If actual VRMs are calculated from hubodometers, document the procedures used to calculate and subtract deadhead mileage. Select a random sample of the hubodometer readings and determine that the stated procedures for hubodometer deadhead mileage adjustments are applied as prescribed. Test the arithmetical accuracy of the summary of intermediate accumulations.

Results - This procedure is not applicable as VRMs are not calculated from hubodometers.

- If actual VRMs are calculated from vehicle logs, select random samples of the vehicle logs and determine that the deadhead mileage has been correctly computed in accordance with FTA definitions.

Results - For the DRPT mode, Revenue Miles are calculated by the Ecolane system based on the odometer readings from the first pickup to the last drop off. Deadhead miles are excluded from the Revenue Miles calculations. We randomly selected 4 trips to test and noted without exception that the deadhead miles are not included in the Revenue Miles calculations.

For the VPPT mode deadhead miles are automatically excluded because only commute miles are entered into the calculation of Revenue Miles and the results are reviewed by the C TSA Director.

- n. For rail modes, review the recording and accumulation sheets for actual VRMs and determine that locomotive miles are not included in the computation.

Results - The procedure identified above is not applicable as VVTA does not provide rail service.

- o. If fixed guideway or High Intensity Busway directional route miles (FG or HIB DRM) are reported, interview the person responsible for maintaining and reporting NTD data whether the operations meet FTA definition of fixed guideway (FG) or High Intensity Busway (HIB) in that the service is:

- Rail, trolleybus (TB), ferryboat (FB), or aerial tramway (TR); or
- Bus (MB, CB, or RB) service operating over exclusive or controlled access rights-of-way (ROW); and
 - i. Access is restricted;
 - ii. Legitimate need for restricted access is demonstrated by peak period level of service D or worse on a parallel adjacent highway;
 - iii. Restricted access is enforced for freeways; priority lanes used by other high occupancy vehicles (HOV) (i.e., vanpools (VP), carpools) must demonstrate safe operation; and

Results - The procedure identified above is not applicable as VVTA does not operate using fixed guideways or high intensity directional routes.

- p. Discuss the measurement of FG and HIB DRM with the person reporting NTD data and determine that he or she computed mileage in accordance with FTA definitions of FG/HIB and DRM. Inquire of any service changes during the year that resulted in an increase or decrease in DRMs. If a service change resulted in a change in overall DRMs, re-compute the average monthly DRMs, and reconcile the total to the FG/HIB DRM reported on the Federal Funding Allocation Statistics form.

Results - The procedure identified above is not applicable as VVTA does not operate using fixed guideways or high intensity directional routes.

- q. Inquire if any temporary interruptions in transit service occurred during the report year. If these interruptions were due to maintenance or rehabilitation improvements to a FG segment(s), the following apply:
- Report DRMs for the segment(s) for the entire report year if the interruption is less than 12 months in duration. Report the months of operation on the FG/HIB segments form as 12. The transit agency should document the interruption.
 - If the improvements cause a service interruption on the FG/HIB DRMs lasting more than 12 months, the transit agency should contact its NTD validation analyst to discuss. FTA will make a determination on how to report the DRMs.

Results - The procedure identified above is not applicable as VVTA does not operate using fixed guideways or high intensity directional routes.

- r. Measure FG/HIB DRM from maps or by retracing route.

Results - The procedure identified above is not applicable as VVTA does not operate using fixed guideways or high intensity directional routes.

- s. Discuss whether other public transit agencies operate service over the same FG/HIB as the transit agency. If yes, determine that the transit agency coordinated with the other transit agency (or agencies) such that the DRMs for the segment of FG/HIB are reported only once to the NTD on the Federal Funding Allocation form. Each transit agency should report the actual VRM, PMT, and OE for the service operated over the same FG/HIB.

Results - The procedure identified above is not applicable as VVTA does not operate using fixed guideways or high intensity directional routes.

- t. Review the FG/HIB segments form. Discuss the Agency Revenue Service Start Date for any segments added in the 2018 report year with the persons reporting NTD data. This is the commencement date of revenue service for each FG/HIB segment. Determine that the date reported is the date that the agency began revenue service. This may be later than the Original Date of Revenue Service if the transit agency is not the original operator. If a segment was added for the 2018 report year, the Agency Revenue Service Date must occur within the transit agency's 2018 fiscal year. Segments are grouped by like characteristics. Note that for apportionment purposes, under the State of Good Repair (§5337) and Bus and Bus Facilities (§5339) programs, the 7-year age requirement for fixed guideway/High Intensity Busway segments is based on the report year when the segment is first reported by any NTD transit agency. This pertains to segments reported for the first time in the current report year. Even if a transit

agency can document an Agency Revenue Service Start Date prior to the current NTD report year, FTA will only consider segments continuously reported to the NTD.

Results - The procedure identified above is not applicable as VVTA does not operate using fixed guideways or high intensity directional routes.

- u. Compare operating expenses with audited financial data after reconciling items are removed.

Results - Operating expenses were compared to the trial balances subject to audit without exception.

- v. If the transit agency purchases transportation services, interview the personnel reporting the NTD data on the amount of PT-generated fare revenues. The PT fare revenues should equal the amount reported on the Contractual Relationship form.

Results - We identified the purchased transportation fare revenues reported on the B-30 and reconciled the amounts to the general ledger without exception.

- w. If the transit agency's report contains data for PT services and assurances of the data for those services are not included, obtain a copy of the IAS-FFA regarding data for the PT service. Attach a copy of the statement to the report. Note as an exception if the transit agency does not have an Independent Auditor Statement for the PT data.

Results - The data for purchased transportation are included in the reporting by VVTA and therefore no IAS for the purchased transportation services is included.

- x. If the transit agency purchases transportation services, obtain a copy of the PT contract and determine that the contract specifies the public transportation services to be provided; the monetary consideration obligated by the transit agency or governmental unit contracting for the service; the period covered by the contract (and that this period overlaps the entire, or a portion of, the period covered by the transit agency's NTD report); and is signed by representatives of both parties to the contract. Interview the person responsible for retention of the executed contract, and determine that copies of the contracts are retained for three years.

Results - We inspected the MBPT, CBPT, DRPT and VPPT service contracts and determined that they contained the items noted above without exception. We inquired with the Deputy Executive Director and the CTSA Director, regarding VVTA's retention policy for executed contracts for purchased transportation programs. Per inquiry, the current practice is to retain contracts for ten years.

- y. If the transit agency provides service in more than one UZA, or between an UZA and a non-UZA, inquire of the procedures for allocation of statistics between UZAs and non-UZAs. Obtain and review the FG segment worksheets, route maps, and urbanized area boundaries used for allocating the statistics, and determine that the stated procedure is followed and that the computations are correct.

Results - For the MBPT mode VVTA provides services between two UZA's and a non-UZA. Allocations to the urbanized and rural areas are in proportion to the §5307 and §5311 operating funding applied to the service, as required by NTD reporting rules. We matched the reported allocation to the summary of applied funding without exception.

The CBPT mode allocations to urbanized areas are based on trip pattern analysis. We analyzed the route maps and matched our calculation of the allocations to the reported allocations without exception.

All DRPT data is reported in one UZA.

The requirement to allocate VPPT data is not applicable per NTD reporting requirements.

- z. Compare the data reported on the Federal Funding Allocation Statistics Form to data from the prior report year and calculate the percentage change from the prior year to the current year. For actual VRM, PMT or OE data that have increased or decreased by more than 10 percent, or FG DRM data that have increased or decreased. Interview transit agency management regarding the specifics of operations that led to the increases or decreases in the data relative to the prior reporting period.

Results – The following fluctuations were noted on the FFA-10 Form:

- *A 14.9% increase in Revenue Miles for MBPT*
- *A 11.2% decrease in Passenger Miles for MBPT*
- *A 12.0% decrease in Passenger Miles for CBPT*

No changes greater than 10% were noted for the DRPT and VPPT modes in Revenue Miles, Passenger miles or Operating Expenses.

A 14.9% increase in the Revenue Miles for MBPT was noted. Per inquiry with the Deputy Executive Director, new routes were added during the reporting year, and there was an increase in the span of service hours for the Barstow routes.

An 11.2% decrease in the Passenger Miles for MBPT was noted. Per inquiry with the Deputy Executive Director, there was a dip in the current year ridership as a result of fare adjustments.

A 12.0% decrease in the Passenger Miles for CBPT was noted. Per inquiry with the Deputy Executive Director, this was caused by a decline in the current year ridership which was partially the result of more riders going to Fort Irwin switching to the Vanpool service.

- aa. The auditor should document the specific procedures followed, documents reviewed, and tests performed in the work papers. The work papers should be available for FTA review for a minimum of three years following the NTD report year. The auditor may perform additional procedures, which are agreed to by the auditor and the transit agency, if desired. The auditor should clearly identify the additional procedures performed in a separate attachment to the statement as procedures that were agreed to by the transit agency and the auditor but not by FTA.

Results – We have documented the procedures followed based on the FTA 2018 Policy Manual Exhibit 79 - Federal Funding Allocation Data Review - Suggested Procedures, and noted the documents reviewed and tests performed in our workpapers. Additional procedures were not performed.

**AGENDA ITEM
SEVEN**

VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Meeting Notes from The Technical Advisory Committee Meeting Conducted on November 7, 2018.

SUMMARY STATEMENT

Meeting Notes from the Technical Advisory Committee meeting conducted on November 7, 2018.

RECOMMENDED ACTION

Information item only.

PRESENTED BY
Debi Lorrach,
Clerk of the Board

FISCAL IMPACT

N/A

MEETING DATE

November 19, 2018

ITEM NUMBER

7

**VICTOR VALLEY TRANSIT AUTHORITY
TECHNICAL ADVISORY COMMITTEE**

November 7, 2018

MEETING NOTES

The meeting of the Technical Advisory Committee (TAC) of Victor Valley Transit Authority was opened at 3:01 p.m. at Victor Valley Transit Authority, Board room, 17150 Smoke Tree Street, Hesperia, CA.

ROLL CALL

TAC Members

Present: Tina Souza, City of Hesperia
Ro Ratliff, City of Victorville
Dough Matthews, City of Victorville
Jennifer Jackson, Town of Apple Valley

Staff Present: Nancie Goff, VVTA Kevin Kane, VVTA
Debi Lorrh, VVTA Maged Azer, VVTA
Steven Riggs, VVTA Marie Downing, VVTA
Christine Plasting, VVTA David Flowers, VVTA
Aaron Moore, VVTA Craig Barnes, VVTA

1. Public Comment.
None.

2. Review Draft Board Agenda.

a. Calendar of Meetings.
Board meetings occur on the 3rd Monday of every month; Ms. Lorrh pointed out that the January and February meetings are scheduled for the 3rd Tuesday of the month due to holidays.

b. FTA Triennial Review Report.
Ms. Goff shared that some of the areas of the review have changed and while staff has some tasks to work on, such as preventative maintenance on vehicles, there were no repeat findings.

c. TDA Triennial Review Report.
While there were no findings, Ms. Goff said, it was recommended that VVTA incorporate succession planning in the near future. Mr. Kane also spoke briefly regarding the required fare box recovery ratio; the COP debt payments are not included in the formula when calculating this ratio.

d. Web-based Bus Stop Mapping Project.
Ms. Goff shared that VVTA has been working on this program for two (2) years and this type of project has never been eligible for Article 3 reimbursement in the past.

Passengers will now be able to access pictures of bus stops online to see if they are accessible for their needs or not; this item will close out this project.

e. Budget Amendment Battery Electric Buses (tentative).

VVTA applied for two (2) different types of competitive grants for 5339 funding of Battery/Electric Buses (BEB), Ms. Goff informed TAC. While VVTA was not awarded the grant for incremental expenses associated with BEB's, VVTA was awarded the second grant in the amount of \$867,007. Ms. Goff explained that some additional funds will need to be spent, but they will come from other sources such as 5309, other 5339, CMAQ, CNG credits and HVIP.

Mr. Kane briefly discussed CARB's proposed regulatory changes to the ICT program.

f. Ratify Macro Z Technologies Contract.

Ms. Plasting stated that at the October 15th Board meeting, the Board approved the Executive Director to enter into best and final negotiations with the top bidder, Macro Z Technologies. The contract has been successfully negotiated to remain within budget. Mr. Riggs stated that the COP funding has closed and VVTA now has the monies to proceed.

3. Bus stop shelters/benches/lighting.

Ms. Ratliff confirmed that the City of Victorville has picked up their bike lid covers and are in the process of installing them.

4. SBCTA Update.

None.

5. Other Business.

Ms. Souza updated TAC that relocation of the Bear Valley and Hesperia Road stop is currently in the design phase and will more than likely go out for bid around March 2019.

6. Adjournment: 3:36 pm

**AGENDA ITEM
EIGHT**

VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Management reports.

SUMMARY STATEMENT

The attached Performance Reports are presented to the Board of Directors to provide an overview of the transit system's costs and performance.

- Transdev invoice for September, BAT and VVTA.
- Monthly Performance Statistics Systemwide Summary.
- Monthly Ridership Report.
- Monthly ADA Denial Report.
- Monthly Road Call Report.
- Monthly Commendation Report.
- Transdev On Time Performance Report FY 2018.

RECOMMENDED ACTION

Information items only.

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
Kevin Kane, Executive Director	N/A	November 19, 2018	8

Transdev
Transportation Services
 17150 Smoke Tree St.
 Hesperia Calif. 92345

INVOICE NO. "000918-IN0009-Revised

BILL TO Victor Valley Transit Authority
 17150 Smoke Tree St.
 Hesperia, Calif 92345

DATE 10/08/2018

CONTRACT NAME:
 Victor Valley Transit

Attention: Mr. Kevin Kane
 Executive Director

MONTH September

BILLING PERIOD 09/01/2018 to 09/30/2018

	Budgeted Revenue hours	Actual Revenue hours	Budgeted Expense	Actual Expense	Variance (+ or -)	Budgeted Expense Year-to-date	Actual Expense Year-to-date	Variance (+ or -) Year-to-date
ADA ParaTransit	3,522.00	3,510.97	\$248,406.66	\$247,628.71	(\$777.95)	\$745,219.98	\$784,546.09	\$39,326.11
Subscription	1,055.00	1,042.81	\$74,409.15	\$73,549.39	(\$859.76)	\$223,227.45	\$239,402.80	\$16,175.35
Regional Fixed Rt	9,763.60	9,745.00	\$607,003.01	\$605,846.65	(\$1,156.36)	\$1,919,293.59	\$1,916,265.91	(\$3,027.68)
County	2,378.88	2,373.00	\$147,894.97	\$147,529.41	(\$365.56)	\$463,722.92	\$462,917.82	(\$805.10)
Dead Head LV-Rte.#23	14.50	14.50	\$901.47	\$901.47	\$0.00	\$2,797.66	\$2,797.66	\$0.00
Rte. 200	40.00	36.00	\$2,486.80	\$2,238.12	(\$248.68)	\$8,082.10	\$7,833.42	(\$248.68)
B.V. Link/Lifeline	583.35	583.00	\$36,266.87	\$36,245.11	(\$21.76)	\$115,389.39	\$115,201.01	(\$188.38)
Dead Head BV	19.00	19.00	\$1,181.23	\$1,181.23	\$0.00	\$3,916.71	\$3,916.71	\$0.00
Fort Irwin	549.10	549.00	\$34,137.55	\$34,131.33	(\$6.22)	\$113,192.92	\$112,838.55	(\$354.37)
Dead Head FI	71.25	71.25	\$4,429.61	\$4,429.61	\$0.00	\$14,687.66	\$14,687.66	\$0.00
SUBTOTALS	17,996.68	17,944.53	\$1,157,117.32	\$1,153,681.03	-\$3,436.28	\$3,609,530.38	\$3,660,407.63	\$50,877.25

* County routes include 20,21,22,23 and 24

TOTAL INVOICE INCLUDING VARIANCE

\$1,153,681.03

Please REMIT TO:
 Transdev Inc.
 4157 Collection Center Drive
 Chicago, IL 60693

Manager's Signature and Business Phone

Transdev
 Transportation Services
 1612 State St.
 Barstow Ca. 92311

INVOICE NO. "000093018-INS-09B

DATE 10/08/2018

BILL TO Victor Valley Transit Authority
 17150 Smoke Tree St.
 Hesperia, Calif 92345

CONTRACT NAME:
 Victor Valley

Attention: Mr. Kevin Kane
 Executive Director

MONTH September BILLING PERIOD 09/01/18 to 09/30/18

	September 18 Budgeted HOURS	September 18 ACTUAL HOURS	September 18 Budgeted REVENUE	September 18 ACTUAL REVENUE	September 18 Variance (+ or -)	Budgeted Expense Year-to-date	Actual Expense Year-to-date	Variance (+ or -) Year-to-date
Fixed Route	1762.89	1763.00	\$109,598.87	\$109,605.71	\$6.84	\$346,405.02	\$346,411.24	\$6.22
County	721.29	721.00	\$41,842.60	\$44,824.57	(\$18.03)	\$142,176.57	\$142,120.62	(\$55.95)
DAR	454.00	322.69	\$32,020.62	\$22,759.33	(\$9,261.29)	\$96,061.86	\$68,215.92	(\$27,845.94)
SUBTOTALS	2,938.18	2,806.69	\$186,462.09	\$177,189.61	(\$9,272.48)	\$584,643.45	\$556,747.78	(\$27,895.67)

TOTAL INVOICE \$177,189.61

Please REMIT TO:
 Transdev Inc.
 4167 Collection Center Drive
 Chicago, IL 60693

 Manager's Signature and Business Phone



FY 2019 -- Monthly Performance Statistics by Mode
Systemwide Summary
All Routes

Performance Statistics for September

Mode	Passengers	Revenue Hours	Operating Costs	Passenger Revenue	Passengers Per Rev. Hour	Operating Cost Per Passenger	Operating Cost Per Rev. Hour	Passenger Revenue Per Passenger	Passenger Revenue Per Rev. Hour	Farebox Recovery Ratio
Bus (Motorbus)	103,230	15,221.9	\$1,250,046	\$166,920	6.8	\$12.11	\$82.12	\$1.62	\$10.97	13.35%
Commuter Bus	2,297	548.8	\$57,060	\$34,524	4.2	\$24.84	\$103.98	\$15.03	\$62.91	60.50%
Demand Response	14,581	4,875.5	\$446,325	\$47,220	3.0	\$30.61	\$91.55	\$3.24	\$9.69	10.58%
System Total	120,108	20,646.1	\$1,753,431	\$248,663	5.8	\$14.60	\$84.93	\$2.07	\$12.04	14.18%

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Monthly Ridership Report

September, FY 2019

Total (All Day Types)

Service	Passengers		Passengers Per Revenue Hour		Farebox Recovery Ratio	
	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year
Route Subtotals						
1	4,326	3,394	14.0	9.6	16.15%	9.17%
101	3,810	2,297	6.8	4.2	54.62%	60.50%
15	6,299	4,477	10.5	7.7	43.99%	40.07%
2	2,841	2,482	9.2	7.0	10.48%	6.60%
200	33	2	0.7	0.1	11.24%	1.36%
21	1,802	1,452	2.5	1.8	4.08%	13.12%
22	1,425	1,227	3.7	3.3	5.97%	23.10%
23	1,585	1,071	3.8	2.6	6.11%	18.25%
24	314	2,975	0.8	3.8	1.32%	27.64%
28	213	167	0.8	0.5	2.28%	2.51%
29	246	307	1.0	0.9	2.76%	4.63%
3	3,235	2,788	5.3	4.0	5.94%	3.52%
31	13,101	6,983	22.7	12.4	23.38%	17.79%
32	10,036	6,707	12.5	8.5	12.86%	12.08%
33	3,469	2,911	8.9	7.7	8.94%	10.60%
40	1,921	1,198	5.0	3.2	5.26%	4.69%
41	15,939	9,749	13.9	8.7	14.79%	13.03%
42	1,687	2,263	2.1	2.9	2.14%	4.05%
43	8,405	5,529	16.2	10.9	16.40%	15.50%
47	1,844	1,109	4.9	3.0	5.17%	4.43%
50	13,894	8,343	18.8	10.6	19.76%	15.65%
50X	2,131	1,561	21.0	15.2	21.91%	22.23%
51	4,513	3,944	11.2	10.0	12.00%	15.06%
52	9,305	7,105	16.1	7.7	16.86%	11.67%
53	8,743	7,806	10.8	10.9	11.59%	16.39%
54	3,642	2,577	9.6	6.9	9.74%	10.10%
55	7,664	5,047	19.0	12.7	19.77%	18.82%
6		2,250		6.4		5.81%
66	2,157	1,504	5.7	4.1	6.04%	5.79%
68	10,608	6,302	8.4	8.0	8.81%	11.58%
ADA	8,629	8,658	2.4	2.5	10.10%	8.91%



Monthly Ridership Report
September, FY 2019

Total (All Day Types)

Service	Passengers		Passengers Per Revenue Hour		Farebox Recovery Ratio	
	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year
DR - BAT	1,306	1,125	2.7	3.5	1.88%	9.79%
SUB	4,944	4,798	4.2	4.6	17.42%	16.40%
VP - Enter	20,766	22,290	5.3	5.0		
VP - VPSI	28,432	22,230	5.6	5.6		
Program Subtotals						
Barstow City Fixed Routes	10,402	10,914	8.4	6.2	9.60%	5.67%
Barstow County Routes	459	474	0.9	0.7	2.52%	3.57%
Barstow Demand Response	1,306	1,125	2.7	3.5	1.88%	9.79%
Community Transit	13,573	13,456	2.8	3.0	11.93%	10.64%
Commuter Bus	3,810	2,297	6.8	4.2	54.62%	60.50%
County Routes	5,126	6,725	2.6	2.8	4.35%	20.37%
Intercity	6,332	4,479	9.8	7.2	43.33%	39.57%
Regional Routes	119,059	80,638	11.8	8.3	12.36%	12.09%
Van Pools	49,198	44,520	5.5	5.3		
System Total	209,265	164,628	7.2	5.7	12.08%	13.11%

September 2018
Major and Non-Major
Miles between road calls - VVTA and Barstow

	Total Miles	Road Calls	Miles Between Road Calls
Demand Response	77,035	0	77,035
Commuter Bus	19,798	0	19,798
Motor Bus	267,193	14	19,085
Total System	364,026	14	115,918



Employee Commendations! Month of September 2018

Fixed Route caller wanted to compliment all Fixed Route drivers for always being so polite and helpful.

ADA passenger called to compliment Loreen Werner for an amazing job and a smooth ride.

An additional ADA passenger wished to compliment all dispatchers for always being so helpful and informative. ADA passenger complimented Carolyn Robinson for being very pleasant and great at her job.

ADA Driver Debra Sanchez was complimented for assisting a supervisor during a bus breakdown; driver was very professional and calm, and caller stated she is a perfect “10”!

Fixed route passenger wished to compliment all Fixed Route drivers: “Thank you all for doing such a marvelous job, I can’t complain about anything you do. Your drivers are awesome!”

ADA PARATRANSIT ON TIME PERFORMANCE

Sep-18

Rides Sampled	More Than 10 Minutes Before	More Than 30 Minutes After	TOTAL	% On Time
14805	0	12	14793	99.92%

FIXED ROUTE ON TIME PERFORMANCE

Sep-18

				% On Time
				59.29%

COUNTY ROUTE ON TIME PERFORMANCE

Sep-18

				% On Time
				52.40%

BV Link ROUTE 15 ON TIME PERFORMANCE

Sep-18

				% On Time
				48.00%

FT. IRWIN ROUTE ON TIME PERFORMANCE

Sep-18

				% On Time
				72.07%

**AGENDA ITEM
NINE**

VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Claim for Completed Article 3 Transit Stop Access Improvement Project.

SUMMARY STATEMENT

In January of 2016, SANBAG released a call for projects for Transportation Development Act – Article 3 Transit Stop Access Improvement Projects. This was the first year that web-based mapping, photography or other visual imagery type of expenditures were made eligible. In April of 2016, VVTA was notified of awarded projects including this Web-based Bus Stop Mapping project. Purchases for the Web-based Bus Stop Mapping project have been completed and those expenses have been accrued to FY 18.

Staff has all major bus stops and time points completed. VVTA has over 1,000 bus stops system wide. The ongoing mapping and photography will provide information on accessibility of the bus stops as well as the amenities for passengers accessing the program. These are available on VVTA's website under "more", "getting started", then click on the link "stop amenities database here" or use the link below:

<https://www.arcgis.com/home/webmap/viewer.html?webmap=028da89687a54b6e9c495cdda9ac29e6&extent=-117.9048,34.1504,-116.4038,35.0536>

This service will, for instance, allow any disabled passenger to look up a stop they may need to use and see if it is accessible for their particular needs.

Staff is requesting the Board approve the filing of the Article 3 claim form for those expenses accrued to FY 18 and ratify the submission of the reimbursement request.

RECOMMENDED ACTION

Approve staff to file an Article 3 reimbursement claim for \$23,852 and local over match to SBCTA for the completed Article 3 Web-based Bus Stop Mapping project for those expenses accrued to FY 18.

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
Nancie Goff, Deputy Executive Director	Article 3 \$23,852 and local match \$8,843	November 19, 2018	9

Claim Form Article 3 Grant Program

Project Name: Web Based Mapping

Grant Allocation No: 16-04-06

Claimant: Victor Valley Transit Authority

Address: 17150 Smoke Tree Street
Hesperia, CA 92345

Attention: Denise Madrid

Phone No: 760-995-3567

E-mail Address: dmadrid@vvta.org

Amount Requested
for Reimbursement: \$ 23,552.00

Purpose: Please check one purpose.

Article 3 Bicycle/Pedestrian Facilities, *Public Utilities Code (PUC) 99233.3*

Transit Stop Access Improvements, *PUC 99233.3*

Authorizing Signature:

(Claimant's Chief Administrator or Financial Officer)



Signature

Kevin Kane Executive Director

Type Name & Title

Condition of Approval:

Approval of this claim and payment by the County Auditor to this claimant are subject to monies being available and to the provision that such monies will be used only in accordance with the approved allocation instruction.

**AGENDA ITEM
TEN**

VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Ratify Contract #2018-13 Macro-Z-Technologies for Design Build Barstow Maintenance and Operations Facility.

SUMMARY STATEMENT

At its April 2018 meeting, the VVTA Board approved the release of RFP 2018-13 Design-Build Barstow Maintenance Facility to the two design build teams who were prequalified, as the result of the Request for Qualifications (RFQ) 2017-14.

VVTA RFP 2018-13 was forwarded to the two bidders on June 7, 2018. There was a job walk conducted at the location of the new facility on June 26, 2018. Addenda 1-4 were also forwarded to the two proposers. Proposals were due on August 16, 2018.

Thursday, September 27, 2018, the evaluation committee met to discuss the proposals, gather scores and determine a recommendation for award. The final scores tabulated, of a maximum possible score of 210 points:

Facility Builders and Erectors, Anaheim, CA	138.23 Points
Macro Z Technologies, Santa Ana, CA	155.75 Points

On October 15, 2018, the Board approved VVTA Staff to enter into negotiations with Macro-Z-Technologies, and delegated authority for executing and overseeing the contract to the Executive Director.

RECOMMENDED ACTION

Ratify Contract #2018-13 with Macro-Z-Technologies for the Design Build of the Barstow Maintenance and Operations Facility.

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
Christine Plasting, Procurement Manager	\$9,188,000.00 COP Funds	November 19, 2018	10

CONTRACT 2018-13

DESIGN BUILD BARSTOW MAINTENANCE AND OPERATIONS FACILITY

THIS AGREEMENT is made and entered into this 29ND day of October, 2018, by and between the **VICTOR VALLEY TRANSIT AUTHORITY**, a Joint Powers authority, created pursuant to the laws of the State of California ("VVTA" OR "Agency") and, **MACRO-Z TECHNOLOGIES**, Santa Ana, CA ("CONTRACTOR").

RECITALS

WHEREAS, VVTA circulated and distributed a request for proposal ("RFP") to the two firms who submitted Statements of Qualifications per RFQ 2017-14 and were deemed adequate to proceed to set two of the procurement process. VVTA then circulated RFP 2018-13 for the Design-Build of the Barstow Maintenance and Operations Facility, a copy which is attached herein as Exhibit 1 and Exhibit 2 (SCOPE OF WORK); and

WHEREAS, CONTRACTOR submitted a proposal to provide the required services per the Scope of Work described in the RFP, a copy which is attached herein as Exhibit 3: and

WHEREAS, CONTRACTOR has represented and warrants to VVTA that it has the necessary training, experience, expertise, physical capacity and staff competency to provide the services, goods and materials that are described in this Agreement, at a cost to VVTA as herein specified and that it will be able to perform the herein described services for VVTA by virtue of its current resources and specialized knowledge of relevant data, issues, and conditions: and

WHEREAS, CONTRACTOR represents and warrants that neither CONTRACTOR, nor any of its officers, agents, employees, contractors, subcontractors, volunteers, or five percent owners, is excluded or debarred from participating in or being paid for participation in any Federal or State program; and

WHEREAS, CONTRACTOR further represents and warrants that no conditions or events now exist which give rise to CONTRACTOR, or any of its officers, agents, employees, contractors, subcontractors, volunteers or five percent owners being excluded or debarred from any Federal or State program; and

WHEREAS, CONTRACTOR understands that VVTA is relying upon these representations in entering into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and conditions herein contained, VVTA and CONTRACTOR hereby agree as follows:

1. SCOPE OF WORK

- A. CONTRACTOR will perform the Work and related tasks as described in Attachment A, Scope of Work (Exhibit 2) hereto and is incorporated by reference into and made a part of this Agreement.

- B. This is a non-exclusive Agreement, whereby VVTA may, at its sole discretion, augment or supplant the Work with its own forces or forces of another contractor or entity. CONTRACTOR will cooperate fully with VVTA's staff or other contractor or entity that may be providing similar or the same Work for VVTA.

2. CONTRACT DOCUMENTS

The complete Contract between the parties shall consist of the following component parts:

This Agreement;

- A. Exhibit 1 – RFP 2018-13 DESIGN BUILD BARSTOW MAINTENANCE AND OPERATIONS FACILITY, including Addenda and all Attachments.

- B. Exhibit 2 – RFP 2018-13 Attachment A – Scope of Work

- C. Exhibit 3 – CONTRACTOR's Original Proposal, dated August 15, 2018

- D. Exhibit 4 - Insurance Certificate, dated OCT 29 2018

- E. Exhibit 5 – CONTRACTOR's Best and Final Offer, dated October 10, 2018

- F. Exhibit 6 – CONTRACTOR's Required Forms, dated August 15, 2018

- G. Exhibit 7 – CONTRACTOR's Payment and Performance Bonds, dated OCT 24 2018

All of the Exhibits mentioned in this Attachment are attached and are herein incorporated. This Agreement and the other Exhibits mentioned constitute the entire Contractual Agreement between the parties. In the event of any conflict between any of the provisions of this Agreement and Exhibits, the provision that requires the highest level of performance from CONTRACTOR for VVTA's benefit shall prevail. Proposer shall execute and submit Certifications as required.

3. PERIOD OF PERFORMANCE

This Agreement shall commence on October 29, 2018 and shall continue in full force and effect through January 31, 2020, unless earlier terminated or extended as provided in this Agreement.

4. TOTAL CONSIDERATION

- A. In accordance with the terms and conditions of this Contract, VVTA shall pay CONTRACTOR for its obligations under this Agreement. VVTA shall pay CONTRACTOR on a FIXED PRICE basis at the fully burdened fixed rates stated herein in accordance with the provisions, of this Section, and subject to the maximum cumulative payment obligation

RATES

- B. VVTA's maximum cumulative payment obligation under this Agreement shall not exceed Nine Million One Hundred Eight-Eight Million Dollars (\$9,188,000.00), including all amounts payable to CONTRACTOR for all costs, including but not limited to direct labor, other direct costs, subcontracts, indirect costs including, but not limited to, leases, materials, taxes, insurance, and profit.

5. ACCEPTANCE, INVOICING AND PAYMENT

A. Acceptance

When the whole Project has been completed in all respects in accordance with the completed, plan-checked and VVTA approved Plans and Specifications, to the full satisfaction of VVTA, VVTA will then file a Notice of Completion with the County Recorder in San Bernardino County. Projects bid with a segregation of costs for separate, independent portions may, at VVTA's discretion, have each of the separate portions accepted individually. The date of acceptance of the Project as stated on the Notice of Completion shall be the official completion date relating to the assessment of liquidated damages. Acceptance shall be final and conclusive except for latent defects, gross mistakes amounting to fraud, audit rights, or Trustees' rights under any warranty or guarantee.

The County Recorder's date of recording on the Notice of Completion, if filed timely (within fifteen Days of acceptance), shall be the official completion date relating to stop notices and stop payment notices. All stop notices and stop payment notices must be filed with VVTA within 30 Days after the County Recorder's recordation date on VVTA's timely filed Notice of Completion. All claims arising from this Contract shall be submitted in writing to VVTA no later than 30 Days after the recordation date on VVTA's Notice of Completion (Section 25. SUBMITTAL OF CLAIMS BY CONTRACTOR).

B. Partial Payment

To assist in computing payments, CONTRACTOR shall submit to the Project Manager and VVTA a "Schedule of Values" of CONTRACTOR's actual and estimated costs for each item of Work, including approved change orders. The cost breakdowns shall be in sufficient detail for

use in estimating the Work to be completed each month and shall be submitted within 21 Days after the date of commencement of Work given in the Notice to Proceed. CONTRACTOR shall also provide the breakdown of the awarded Contract value by completing the Uniform Building Systems form. This information is valuable to VVTA for budgeting purposes and shall be submitted by CONTRACTOR to the Project Manager along with the initial submittal of the Schedule of Values.

Once each month during the progress of the Work, CONTRACTOR shall submit to the Project Manager a partial payment request. CONTRACTOR shall base the partial payment request on the approved bid breakdown for the cost of the Work completed plus, where applicable, a maximum of 90% of the verified supplier-invoiced and CONTRACTOR-purchased value for the acceptable materials delivered to the site, or stored subject to the control of CONTRACTOR but identified as the property of VVTA, and not yet installed and as allowed on the Contract Payment Request Form, line 2-f. CONTRACTOR must make any materials stored offsite accessible to VVTA to verify invoiced value and shall deliver these materials to VVTA upon request. When submitting a request for payment for materials, CONTRACTOR shall submit the Request for Materials On Hand Form with its partial payment request.

The partial payment request shall be submitted on the monthly anniversary of the day selected by CONTRACTOR in the job start meeting. The Project Manager shall review and certify the validity of the request, which, if the request includes an invoice for materials, then it shall include an inspection by the Project Manager of materials invoiced. No partial payment shall be made without the certification of the Project Manager, unless the partial payment is strictly administrative, and is processed after the completion of the Work (e.g. release of stop notice and stop payment notice claims).

Partial payment requests shall be processed with five percent (5%) retention. VVTA shall hold retention in part as security for the fulfillment of the Contract by CONTRACTOR. VVTA will withhold sufficient funds in addition to the retention to cover for anticipated liquidated damages, stop payment notices, Labor Code wage and penalty assessments, unacceptable Work, punch list Work, and VVTA's back-charges such as for retesting and re-inspection. VVTA will withhold monies from partial payments for incomplete punch list Work in addition to retention. VVTA shall not process partial release of retention before Contract completion (Public Contract Code section 10851) unless the Project is phased with a segregation of costs.

Partial payments shall not be construed as acceptance of any Work which is not in accordance with the requirements of the Contract. Once the Project Manager has certified the partial payment request, it shall be submitted to VVTA's Construction Administrator for approval and processing (Public Contract Code section 10851). Payment will then be processed in accordance with section 10853 of the Public Contract Code. Such procedure provides for 39 Days processing, from the date of receipt of an undisputed and properly submitted payment request by the Construction Administrator.

CONTRACTOR shall submit invoices in duplicate to:

VICTOR VALLEY TRANSIT AUTHORITY
ATTN: CHRISTINE PLASTING/CONTRACT ADMINISTRATOR
17150 SMOKETREE STREET
HESPERIA, CA 92345-8305

C. VVTA shall remit payment within forty-five (45) calendar days of approval of the invoices by VVTA Senior Staff. VVTA does encourage the CONTRACTOR to accept discount terms of 2% 10, net 45, in the event the CONTRACTOR is in need of expedited terms.

D. Stop Payment Notices

VVTA shall retain out of any money due or that may become due CONTRACTOR, sums sufficient (125 percent of the claim) to cover claims filed pursuant to the stop payment notice provisions of the law (Civil Code section 9000 *et seq.*).

Preliminary notices and stop payment notices shall be presented to VVTA in proper form and should be addressed to the Contract Administrator and sent to VVTA at the address above and at the preconstruction conference. CONTRACTOR shall be responsible to communicate this information to all subcontractors.

E. Final Payment

After VVTA's acceptance of the Project as complete, CONTRACTOR shall submit to the Construction Administrator a payment request stating the total due under the Contract less the retention. This payment request will be processed in the same manner as the partial payment requests. Refer to 5 B, Partial Payments.

VVTA shall notify CONTRACTOR of the date of recordation of the Notice of Completion. CONTRACTOR shall then submit a request for payment of the retention to the Construction Administrator, who will process the retention payment 45 Days after the date of recordation by the County Recorder.

VVTA shall continue to retain funds to cover liquidated damages, stop notices and stop payment notices, state labor commissioner claims, back charges from VVTA, unexecuted credit change orders, and other such claims that may be received up to the end of the 45 Days period following recordation. If any stop notices or stop payment notice has been filed, payment shall be withheld in an amount of at least 125 percent of the total claims filed until either the rights under the stop notice or stop payment notice have been settled or CONTRACTOR has posted sufficient bond in an amount of at least 125 percent of the total claims filed to secure payment of such claims.

On projects bid with a segregation of costs for separate, independent portions which portions are accepted individually pursuant to Section 5.A, Acceptance, the final payment procedure specified in this Article shall be followed. The total amount due under the Contract, the amounts retained, other claims for compensation, and the filing of stop notices and stop payment notices shall refer only to the portion accepted.

In the event VVTA should overpay CONTRACTOR, such overpayment shall not be construed as a waiver of VVTA's right to obtain reimbursement for the overpayment. Upon discovering any overpayment, either on its own or upon notice from VVTA, CONTRACTOR shall immediately reimburse VVTA the entire overpayment or, at its sole discretion, VVTA may deduct such overpayment amount from monies due to CONTRACTOR under this Agreement or any other Agreement between VVTA and CONTRACTOR.

6. AUDIT AND INSPECTION OF RECORDS

In accordance with 49 C.F.R. § 18.36(i), 49 C.F.R. § 19.48(d), and 49 U.S.C. § 5325(a), provided VVTA is the FTA Recipient or a sub-grantee of the FTA Recipient, the Contractor agrees to provide VVTA, FTA, the Comptroller General of the United States, the Secretary of the U.S. Department of Transportation, or any of their duly authorized representatives access to any books documents, papers, and records of the Contractor which are directly pertinent to or relate to this Contract (1) for the purpose of making audits, examinations, excerpts, and transcriptions and (2) when conducting an audit and inspection.

For Contract Amendments, the Contracting Officer, the U.S. Department of Transportation (*if applicable*), or their representatives shall have the right to examine all books, records, documents, and other cost and pricing data related to a Contract Amendment, unless such pricing is based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the public, or prices set by law or regulation, or combinations thereof. Data related to the negotiation or performance of the Contract Amendment shall be made available for the purpose of evaluating the accuracy, completeness, and currency of the cost or pricing data. The right of examination shall extend to all documents necessary for adequate evaluation of the cost or pricing data, along with the computations and projections used therein, either before or after execution of the Contract Amendment for the purpose of conducting a cost analysis. If an examination made after execution of the Contract Amendment reveals inaccurate, incomplete, or out-of-date data, the Contracting Officer may renegotiate the Contract Amendment and VVTA shall be entitled to any reductions in the price that would result from the application of accurate, complete or up-to-date data.

7. NOTIFICATION

All notices hereunder concerning this Agreement and the Work to be performed shall be physically transmitted by courier, overnight, registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

To VVTA:
Attn: Christine Plasting
Victor Valley Transit Authority
17150 Smoke Tree Street
Hesperia, CA 92345-8305

To CONTRACTOR
Attn: Daniel Duarte
Macro-Z Technology Company
841 E. Washington Avenue
Santa Ana, CA 92701

Attn: Henry Bodella
Macro-Z Technology Company
841 E. Washington Avenue
Santa Ana, CA 92701
contracts@mztco.com

8. VVTA AND CONTRACTOR'S REPRESENTATIVES

A. VVTA

VVTA's Executive Director, or his authorized designee, is the authorized representative for this agreement and is empowered as set forth in 1-4. Except as expressly specified in this Agreement, the Executive Director may exercise any powers, rights and /or privileges that have been lawfully delegated by VVTA. Nothing in this Agreement should be construed to bind VVTA for acts of its officers, employees, and/or agents that exceed the delegation of authority specified herein. The Executive Director or his/her designee is empowered to:

1. Have general oversight of the Work and this Agreement, including the power to enforce compliance with this Agreement.
2. Reserve the right to remove any portion of the Work from CONTRACTOR which has not been performed to VVTA's satisfaction.
3. Subject to the review and acceptance by VVTA, negotiate with CONTRACTOR all adjustments pertaining to this Agreement for revision.
4. In addition to the foregoing, the Executive Director shall have those rights and powers expressly set forth in other sections of this Agreement.

B. Contractor's Key Personnel

The following are CONTRACTOR's key personnel and their associated roles in the Work to be provided:

<u>Name</u>	<u>Role</u>
John King	Project/Quality Control Manager
Alex Weiping Tu	Design Quality Control Manager
Michael Simmonds	Designer of Record/Lead Designer
Krisna c.v. Kumar	Mechanical Engineer
Bill (Zhiping) Fang	Electrical Engineer
William Esparza/Ben Smith	Project Superintendent/Alternate
Glyn Humphries	Commissioning Agent/Start-Up Manager

Any proposed substitution or replacement by Contractor of Contractor's key personnel shall ensure that such person possesses the same or better expertise and experience than the key personnel being substituted or replaced. VVTA reserves the right to interview such person to ascertain and verify if such proposed substitution or replacement does possess such expertise and experience.

VVTA awarded this Agreement to CONTRACTOR based on VVTA's confidence and reliance on the expertise of CONTRACTOR's key personnel described above. CONTRACTOR shall no reassign key personnel or assign other personnel to key personnel roles until CONTRACTOR obtains prior written approval from VVTA.

9. TERMINATION OF CONTRACT

A. TERMINATION FOR CONVENIENCE

1. The performance of Work under this Contract may be terminated in whole, or from time to time in part, by the Contracting Officer for the convenience of VVTA whenever VVTA determines that such termination is in the best interest of VVTA and the other procuring agencies. Any such termination shall be executed by delivery to the Contractor of a written Notice of Termination specifying the extent to which performance of Work under the Contract is terminated, and the date upon which such termination becomes effective. After receipt of a Notice of Termination, and except as otherwise directed by the Contracting Officer, the Contractor must:
 - (a) Stop the Work under the Contract on the date and to the extent specified in the Notice of Termination;
 - (b) 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;
 - (c) Terminate all orders and subcontracts to the extent that they relate to the performance of Work terminated as set out in the Notice of Termination;
 - (d) Assign to VVTA in the manner, at the times, and to the extent directed by the Contracting Officer, all of the right, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case VVTA shall have the right, in its discretion, to settle or pay and or all claims arising out of the termination of such orders and subcontracts;
 - (e) Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Contracting Officer, to the extent he/she may require, which approval or ratification shall be final for all the purposes of this Section;
 - (f) Transfer title to VVTA and deliver in the manner, at the times, and to the extent, if any, directed by Contracting Officer the fabricated or un-fabricated parts, work in process, completed work, supplies, and other material produced as 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 VVTA;
 - (g) Use its best efforts to sell, in the manner, at the times, to the extent, and at the price(s) directed or authorized by the Contracting Officer, and property of the types referred to above, provided, however, that the Contractor shall not be required to extend credit to any purchaser, and may acquire an such property under the conditions prescribed by and at a price(s) approved by the

Contracting Officer, and provided further, that the proceeds of any such transfer or disposition shall be applied in reduction of any payments to be made by VVTA 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 Contracting Officer may direct;

- (h) Complete performance of such part of the Work as shall not have been terminated by the Notice of Termination; and
 - (i) Take such action as may be necessary, or as the Contracting Officer 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 VVTA has or may acquire an interest.
2. After receipt of a Notice of Termination, the Contractor shall submit to VVTA its termination claim, in the form and with certification prescribed by VVTA. Such claim shall be submitted promptly but in no event later than six months from the effective date of termination, unless one or more extensions in writing are granted by VVTA, upon request of the Contractor made in writing within such six months period or authorized extension thereof. However, if VVTA determines that the facts justify such action, it may receive and act upon any such termination claim at any time after such six months period or any extension thereof. Upon failure of the Contractor to submit its termination claim within the time allowed, VVTA may determine, on the basis of information available, the amount, if any, due the Contractor by reason of the termination and will thereupon pay the Contractor the amount so determined.
3. Subject to the provisions of subsection 2 above, the Contractor and VVTA may agree upon the whole or any part of the amount or amounts to be paid to the Contractor by reason of the total or partial termination or work pursuant to this Section, which amount or amounts may include an allowance for profit on work done, provided that such agreed amount or amounts exclusive of settlement costs, shall not exceed the total Contract Consideration as reduced by the amount of payments otherwise made and as further reduced by the Contract price of work not terminated. The Contract will be amended accordingly, and the Contractor will be paid the agreed amount.
4. In the event of failure of the Contractor and VVTA to agree, as provided in subsection 3, upon the amount to be paid the Contractor by reason of the termination of Work pursuant to this Section, VVTA will pay the Contractor the amounts determined by VVTA as follows, but without duplication of any amounts agreed in accordance with subsection:

With respect to Contract Work performed prior to the effective date of the Notice Termination, the total (without duplication of any items) of:

- (a) The costs of such Work:

- (b) The cost of settling and paying claims arising out of the termination of Work under subcontracts or orders as provided in subsection 1(e) above, exclusive of the amounts paid or payable on account of supplies or material delivered or services furnished by the subcontractor prior to the effective date of the Notice of Termination of Work under this Contract, which amounts shall be included in the costs on account of which payment is made under 2 above;
 - (c) A sum, as profit on 4(a) above, determined by VVTA to be fair and reasonable; provided, however, that if it appears that the Contractor would have sustained a loss on the entire Contract had it been completed, no profit shall be included or allowed under this subsection 4(c) and an appropriate adjustment shall be made by reducing the amount of the settlement to reflect the indicated rate of loss, and
 - (d) The reasonable cost of preservation and protection of property incurred pursuant to subsection A (9) and any other reasonable cost incidental to termination of work under this Contract, including expense incidental to the determination of the amount due to the Contractor as the result of the termination of Work under this Contract.
5. The total sum to be paid to the Contractor under subsection 4 will not exceed the total Contract Consideration as reduced by the amount of payments otherwise made and as further reduced by the Contract price of Work not terminated. Except for normal spoilage, and except to the extent that VVTA will have otherwise expressly assumed the risk of loss, there will be excluded from the amounts payable to the Contractor under subsection 4 the fair value, as determined by the VVTA, of property which is destroyed, lost, stolen, or damaged so as to become undeliverable to VVTA, or to a purchaser pursuant to subsection 1 (g) of this Section.
6. In arriving at the amount due the Contractor under this Section, there will be deducted:
- (a) The amount of any claim which VVTA has against the Contractor in connection with the Contract; and
 - (b) The agreed price for, or the proceeds of sale of materials, supplies, or other items acquired by the Contractor or sold, pursuant to the provision of this Section, and not otherwise recovered by or credited to VVTA.
7. If the termination hereunder is partial, prior to the settlement of the terminated portion of the Contract, the Contractor may file with VVTA a written request for an adjustment of the price or prices specified in the Contract relating to the continued portion of the Contract (the portion not terminated by the Notice of Termination), and such adjustment as may be agreed will be made in the price or prices.
8. VVTA may from time to time, at its sole discretion and under terms and conditions

it may prescribe, make partial payments and payments on account against cost incurred by the Contractor in connection with the terminated portion of the Contract whenever, in the opinion of VVTA, the aggregate of payments does not exceed the amount to which the Contractor will be entitled hereunder. If the total of the payments is in excess of the amount finally agreed or determined to be due under this Section, the excess shall be paid by the Contractor to VVTA upon demand, together

with interest at the rate of 10 percent per annum or the maximum rate permitted by applicable law, whichever is less, for the period from the date the excess payment is received by the Contractor to the date on which the excess payment is repaid to VVTA.

9. Unless otherwise provided for in this Contract, or by applicable statute, the Contractor, from the effective date of termination and for a period of three years after final settlement under this Contract, shall preserve and make available to VVTA at all reasonable times at the office of the Contractor but without direct charge to VVTA, all its books, records, documents, and other evidence bearing on the costs and expenses of the Contractor under this Contract and relating to the Work terminated hereunder, or to the extent approved by VVTA, photographs, microphotographs, or other authentic reproductions thereof.
10. The Contractor shall insert in all subcontracts that the Subcontractor or Supplier shall stop work on the date of and to the extent specified in a Notice of Termination from VVTA and shall require that any tier subcontractor to insert the same provision in any tier subcontract.
11. The Contractor shall communicate immediately upon receipt thereof, any Notice of Termination issued by VVTA to the affected Subcontractors and Suppliers of any tier.
12. Under no circumstances is the Contractor entitled to anticipatory, unearned profits or consequential damages as a result of a termination or partial termination under this Section. The payment to the Contractor determined in accordance with this Section constitutes exclusive remedy for a termination hereunder.
13. Anything contained in the Contract to the contrary notwithstanding, a termination under this Section shall not waive any right or claim to damages which VVTA may have and VVTA may pursue any course of action it may have under the Contract.

B. TERMINATION FOR CAUSE

- (1) By written Notice of Termination to the Contractor, VVTA and the other procuring agencies may cancel the whole or any part of the Contract in any one of the following circumstances:
 - (a) If the Contractor fails to perform the Work within the time specified or any extension thereof;

- (b) If the Contractor fails to perform any of the provisions of the Contract, or fails to make progress so as to endanger performance of the Contract in accordance with its terms, and in either of these two circumstances does not cure such failure within a period of the 10) calendar days (or such additional time as may be specified in the notice) after VVTA gives notice to Contractor of the failure;
 - (c) The Contractor or Subcontractor or Supplier has violated an authorized order or requirement of VVTA;
 - (d) Abandonment of the Contract;
 - (e) Assignment of subcontracting of the Contract or any Work under the Contract without approval by VVTA;
 - (f) Bankruptcy or appointment of a receiver for the Contractor's property;
 - (g) Performance by the Contractor in bad faith;
 - (h) Contractor allowing any final judgment to stand (unsatisfied) for a period of 48 hours (excluding weekends and legal holiday(s));
 - (i) Material failure to comply with the law, ordinance, rule, regulation or order of a legal authority applicable to the Contract, the Work, the Contractor or the goods; or
 - (j) Failure to indemnify any party which the Contractor is obligated to indemnify under the Section 2.7.5, Indemnification, or elsewhere under the Contract.
- (2) The Contractor shall be provided a period of ten (10) days to cure such failure (or such longer period as VVTA may authorize in writing) after receipt of notice from VVTA specifying such failure.
- (3) In the event the Contractor does not cure the breach to the satisfaction of VVTA within the time period specified by the Contracting Officer, the Contracting Officer will send the Contractor a written notice of failure to cure the breach. Upon receipt of such written notice from VVTA, Contractor shall:
- (a) Stop Work on the date of, and to the extent specified in, the Notice of Termination;
 - (b) Place no further orders or subcontracts for materials, equipment, services, or facilities, except that which is necessary to complete the portion of the Work which is expressly not cancelled under the Notice of Termination;
 - (c) Cancel all orders or subcontracts to the extent that they relate to the performance of Work cancelled under the Notice of Termination; and
 - (d) Comply with all other requirements of VVTA specified in the Notice of

Termination.

- (4) If the Contract is cancelled as provided in this Section, VVTA may require Contractor to transfer title and deliver to VVTA, as directed by VVTA, the following:
 - (a) Any completed supplies or equipment furnished by VVTA; and
 - (b) Such partially completed supplies and materials, installations, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing materials") that the Contractor has specifically produced or acquired for the cancelled portion of this Contract. The Contractor shall also protect and preserve property in its possession in which VVTA has an interest at the Contractor's sole expense.
- (5) Upon VVTA's Termination of the Contractor's right to proceed with the Work because of the Contractor's default under the Contract, VVTA will have the right to complete the Work by whatever means and method it deems advisable. VVTA will not be required to obtain the lowest prices for completing the Work but shall make such expenditures as, in VVTA's sole judgment, best accomplish such completion.
- (6) The expense of completing the Work, together with a reasonable charge for engineering, managerial and administrative services, as certified by the Lead Procuring Agency, will be charged and will be deducted by VVTA out of such monies as may be due or may at any time thereafter become due to the Contractor. In case such expense is in excess of the sum which otherwise would have been payable to the Contractor under the Contract, then the Contractor or its surety shall promptly pay the amount of such excess to VVTA upon notice of the excess so due. VVTA may, in its sole discretion, withhold all or any part of any progress payments otherwise due the Contractor until completion and final settlement of the Work covered by the Notice of Termination of Contractor's right to proceed.
- (7) Contractor shall insert in all subcontracts that the Subcontractor or Supplier will stop work on the date of or to the extent specified in a Notice of Termination from VVTA and shall require the Subcontractors and Suppliers to insert the same provision in any of their subcontracts.
- (8) The Contractor shall immediately upon receipt communicate any Notice of Termination issued by VVTA to the affected Subcontractors and Suppliers at any tier.
- (9) The Surety on the Contractor's Performance Bond provided for in this Contract shall not be entitled to take over the Contractor's performance of Work in case of termination under this Section, except with the prior written consent of VVTA.
- (10) The Contractor shall not be liable for any costs in excess of the total Contract Consideration if the failure to perform the Contract arises out of causes beyond the control and without the fault or negligence of the Contractor. If the failure to perform

is caused by the default of a Subcontractor and/or Supplier and such default arises out of causes beyond the control of and without the fault or negligence of either the Contractor or the Subcontractor and/or Supplier, and if the Supplies or Services to be furnished by the Subcontractor or Supplier were not obtainable from other sources in sufficient time to permit the Contractor to meet the required Delivery Schedule, the Contractor shall not be liable for any costs in excess of the total Contract Consideration to complete the Work.

- (11.) If, after issuance of the Notice of Termination of this Contract, it is determined for any reason that the Contractor was not in breach, or that the breach was excusable, the rights and obligations of the parties shall be the same as if the Notice of Termination had been issued pursuant to the Termination for Convenience Section, and the Contractor shall be reimbursed for costs incurred under the terms of that Section.

10. ASSIGNMENT

This Agreement, any interest herein or claim hereunder, may not be assigned by CONTRACTOR either voluntarily or by operation of law, nor may all or any part of this Agreement be subcontracted by CONTRACTOR – without prior written consent of VVTA. Consent by VVTA shall not be deemed to relieve CONTRACTOR of its obligations to comply fully with all terms and conditions of this Agreement.

11. SUBCONTRACTING

VVTA hereby consents to CONTRACTOR's subcontracting of portions of the Work to the parties identified below for the functions described in CONTRACTOR's proposal. CONTRACTOR shall include in each subcontract agreement the stipulation that CONTRACTOR, not VVTA, is solely responsible for payment to the subcontractor for all amounts owing and that the subcontractor shall have no claim, and shall take no action against VVTA, Member Agencies or officers, directors, employees or sureties thereof for nonpayment by CONTRACTOR.

Subcontractors' Names and Addresses

AK Constructors, Inc.
1751 Jenks Drive
Corona, CA 92880
mharrington@ak-electrical.com

Work to be Performed
Electrical

ACCO Engineered Systems, Inc.
6265 San Fernando Road
Glendale, CA 91201
coberosler@accoes.com

HVAC

HPS Mechanical, Inc.
3100 E. Belle Terrace
Bakersfield, CA 93307
roger@hpsmechanical.com

Plumbing

12. SUCCESSORS AND ASSIGNS

Subject to any provision under this Contract restricting assignment or subcontracting by CONTRACTOR, the provisions of this Contract shall be binding upon and inure to the benefit of the respective successors, assigns, heirs, and personal representatives of the parties to this Contract.

13. STATUS OF CONTRACTOR

- A. It is understood and agreed by all the parties hereto that Contractor is an independent contractor and that no relationship of employer-employee exists between VVTA and CONTRACTOR. Neither CONTRACTOR nor CONTRACTOR'S assigned personnel shall be entitled to any benefits payable to employees of VVTA. CONTRACTOR hereby indemnifies and holds VVTA harmless from any and all claims that may be made against

VVTA, based upon any contention by any third party that an employer-employee relationship exists by reason of this Contract or any services provided pursuant to this Contract.

- B. It is further understood and agreed by all the parties hereto that neither CONTRACTOR nor CONTRACTOR'S assigned personnel shall have any right to act on behalf of VVTA in any capacity whatsoever as an agent or to bind VVTA to any obligation whatsoever.
- C. It is further understood and agreed by all the parties hereto that CONTRACTOR must issue any and all forms required by Federal and State laws for income and employment tax purposes, including, but not limited to W-2 and 941 forms, for all of CONTRACTOR'S assigned personnel.

14. CONTRACTOR'S RESPONSIBILITY

- A. The CONTRACTOR shall be responsible for the Work performed under the terms of this Contract to the extent provided by law. The CONTRACTOR agrees not to disclose information identified by VVTA as proprietary to third parties, unless approved in advance by VVTA or required by law.
- B. VVTA shall not be held liable or responsible for the maintenance and/or safety of the CONTRACTOR's equipment or supplies placed upon VVTA's property in accordance with this Contract. The CONTRACTOR acknowledges that it assumes full responsibility for any loss or damage to its equipment and supplies.
- C. Any materials, equipment or work found to be damaged or defective during the period CONTRACTOR is performing the maintenance for the facility pursuant to this Agreement shall be repaired, replaced or corrected by the CONTRACTOR hereunder without additional cost to VVTA, unless such damage is the result of VVTA's gross negligence or willful misconduct.
- D. CONTRACTOR shall pay for all taxes, except for sales, use, transaction and excise taxes that were legally enacted at the time CONTRACTOR's offer submitted. CONTRACTOR shall secure and pay for all permits and governmental fees, licenses and inspections necessary for the proper execution and completion of this Contract.

- E. CONTRACTOR's shall give VVTA Administration at least 24 hours prior notice when CONTRACTOR's Corporate representatives are scheduled to visit either the Hesperia or Barstow locations. Corporate representatives include, but not limited to, Board Members, Executive Staff, Regional staff, and Management.

- F. Project Design: VVTA does not intend to contract for, pay for, or receive any design services which are in violation of any professional licensing laws, and by execution of the Contract, CONTRACTOR acknowledges that VVTA has no such intent. It is the intent of the Parties that CONTRACTOR is fully responsible for furnishing the design of the Project, although the fully licensed CONTRACTOR's Design Team will perform the design services required by the CONTRACT.

- G. Standard of Care. All design Services to be performed by the CONTRACTOR, its design consultant, subcontractors, and their employees identified by the CONTRACTOR shall be performed in an expeditious and professional manner using architects, engineers and other professional properly licensed and duly qualified in the jurisdiction in which the Project is located. The professional obligations of such person shall be undertaken and performed in the interest of the CONTRACTOR. All design services performed pursuant to this Contract shall be performed with the degree of skill and learning ordinarily possessed by architects and engineers in good standing in the community regularly engaged in the design and construction of a facility such as this Project and must apply that knowledge with the diligence ordinarily exercised by reputable architects and engineers under similar circumstances ("Standard of Care").

15. GOVERNING LAW

This Contract shall be deemed to be executed within the State of California and construed in accordance with and governed by the laws of the State of California. Any action or proceeding arising out of this Contract shall be filed and resolved in the Superior Court of the County San Bernardino.

16. TIME OF THE ESSENCE

Time is of the essence in the performance of every term, covenant, condition, and provision of this Contract.

17. PUBLIC RECORDS ACT

Upon its execution, this Contract (including all Exhibits) shall be subject to disclosure pursuant to the California Public Records Act.

18. INSURANCE

A. General Requirements for Contractor

Throughout the life of this Agreement, Contractor shall pay for and maintain in full force and effect

all policies of insurance required hereunder with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A- VII" in Best's Insurance Rating Guide, or (ii) as may be authorized in writing by VVTA's Executive Director or his/her designee at any time and in his/her sole discretion. The following policies of insurance are required:

- (i) COMMERCIAL GENERAL LIABILITY insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01 and include insurance for "bodily injury," "property damage" and "personal and advertising injury" with coverage for premises and operations (including the use of owned and non-owned equipment), products and completed operations, and contractual liability (including, without limitation, indemnity obligations under the Agreement) with limits of liability of not less than the following:
 - \$10,000,000 per occurrence for bodily injury and property damage
 - \$10,000,000 per occurrence for personal and advertising injury
 - \$20,000,000 aggregate for products and completed operations
 - \$20,000,000 general aggregate applying separately to the work performed under the Agreement
- (ii) COMMERCIAL AUTOMOBILE LIABILITY insurance which shall be at least as broad as the most current version of Insurance Service Office (ISO) Business Auto Coverage Form CA 00 01, and include coverage for all owned, hired, and non-owned automobiles or other licensed vehicles (Code 1 - Any Auto) with limits of liability of not less than \$10,000,000 per accident for bodily injury and property damage.
- (iii) WORKERS' COMPENSATION insurance as required under the California Labor Code.
- (iv) EMPLOYERS' LIABILITY insurance with limits of liability of not less than \$1,000,000 each accident, \$1,000,000 disease policy limit and \$1,000,000 disease each employee.
- (v) PROFESSIONAL LIABILITY (Errors and Omissions) insurance appropriate to Consultant's profession, with limits of liability of \$2,000,000 per claim/occurrence and \$2,000,000 policy aggregate.
- (vi) BUILDERS RISK (Course of Construction) insurance in an amount equal to the completed value of the project with no coinsurance penalty provisions.

In the event Contractor purchases an Umbrella or Excess insurance policy(ies) to meet the minimum limits of insurance set forth above, this insurance policy(ies) shall "follow form" and afford no less coverage than the primary insurance policy(ies).

Contractor shall be responsible for payment of any deductibles contained in any insurance policies required hereunder and Contractor shall also be responsible for payment of any self-insured retentions. Any deductibles or self-insured retentions must be declared to, and approved by VVTA's Executive Director or his/her designee in his/her sole discretion. At the option of VVTA's Executive Director or his/her designee, either (i) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects VVTA, its members, board members, officers, officials, employees and agents, or (ii) Contractor shall provide a financial guarantee, satisfactory to VVTA's Executive Director or his/her designee in his/her sole discretion, guaranteeing payment

of losses and related investigations, claim administration and defense expenses. At no time shall VVTA be responsible for the payment of any deductibles or self-insured retentions.

All policies of insurance required hereunder shall be endorsed to provide that the coverage shall not be cancelled, non-renewed, reduced in coverage or in limits except after 30 calendar day written notice has been given to VVTA. Upon issuance by the insurer, broker, or agent of a notice of cancellation, non-renewal, or reduction in coverage or in limits, Contractor shall furnish VVTA with a new certificate and applicable endorsements for such policy(ies). In the event any policy is due to expire during the work to be performed for VVTA, Contractor shall provide a new certificate, and applicable endorsements, evidencing renewal of such policy not less than 15 calendar days prior to the expiration date of the expiring policy.

The General Liability and Automobile Liability insurance policies shall be written on an occurrence form. The General Liability (including ongoing operations and completed operations) and Automobile Liability insurance policies shall name VVTA, its members, board members, officers, officials, employees, agents and volunteers as an additional insured. All such policies of insurance shall be endorsed so Contractor's insurance shall be primary and no contribution shall be required of VVTA, its members, board members, officers, officials, employees, agents and volunteers. Any Workers' Compensation insurance policy shall contain a waiver of subrogation as to VVTA, its members, board members, officers, officials, employees, agents and volunteers. The Builders Risk (Course of Construction) insurance policy shall name VVTA as a loss payee. The coverage(s) shall contain no special limitations on the scope of protection afforded to VVTA, its members, board members, officers, officials, employees, agents and volunteers. Should Contractor maintain insurance with broader coverage and/or limits of liability greater than those shown above, VVTA requires and shall be entitled to the broader coverage and/or the higher limits of liability maintained by Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to City.

Claims-Made Policies - If Professional Liability (Errors and Omissions) insurance is written on a claims-made coverage form:

- a. The retroactive date must be shown, and must be before the effective date of the Agreement or the commencement of work by Contractor.
- b. Insurance must be maintained and evidence of insurance must be provided for at least 5 years after completion of the work or termination of the Agreement, whichever first occurs.
- c. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of the Agreement, or work commencement date, Contractor must purchase extended reporting period coverage for a minimum of 5 years after completion of the work or termination of the Agreement, whichever first occurs.
- d. A copy of the claims reporting requirements must be submitted to VVTA for review.
- e. These requirements shall survive expiration or termination of the Agreement.

Contractor shall furnish VVTA with all certificate(s) and applicable endorsements effecting coverage required hereunder. **All certificates and applicable endorsements are to be received and**

approved by VVTA's Executive Director or his/her designee in his/her sole discretion prior to VVTA's execution of the Agreement and before work commences. Upon request of VVTA, Contractor shall immediately furnish VVTA with a complete copy of any insurance policy required under this Agreement, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy. This requirement shall survive expiration or termination of this Agreement.

If at any time during the life of the Agreement or any extension, Contractor or any of its subcontractors fail to maintain any required insurance in full force and effect, all work under this Agreement shall be discontinued immediately, and all payments due or that become due to Contractor shall be withheld until notice is received by VVTA that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to VVTA. Any failure to maintain the required insurance shall be sufficient cause for VVTA to terminate this Agreement. No action taken by VVTA hereunder shall in any way relieve Contractor of its responsibilities under this Agreement.

The fact that insurance is obtained by Contractor shall not be deemed to release or diminish the liability of Contractor, including, without limitation, liability under the indemnity provisions of this Agreement. The duty to indemnify VVTA shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Contractor. Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of Contractor, its principals, officers, agents, employees, persons under the supervision of Contractor, vendors, suppliers, invitees, consultants, sub-consultants, contractors, subcontractors, or anyone employed directly or indirectly by any of them.

If Contractor should contract or subcontract all or any portion of the services to be performed under this Agreement, Contractor shall require each subcontractor to provide insurance protection in favor of VVTA, its members, board members, officers, officials, employees, agents and volunteers in accordance with the terms of each of the preceding paragraphs, except that subcontractor's certificates and endorsements shall be on file with Contractor and VVTA prior to the commencement of any work by subcontractor.

B. Endorsements

The following endorsements 1 through 4 are required to be made a part of the Comprehensive General Liability policy, and Endorsement No.4 is required to be made part of the Workers' Compensation and Employers' Liability policy:

1. "Victor Valley Transit Authority (herein referred to as VVTA), its employees, officers, agents and contractors are hereby added as additional insurers."
2. "This policy shall be considered primary insurance as respects any other valid and collectible insurance VVTA may possess, including any self-insured retention VVTA may have, and any other insurance VVTA does possess shall be considered excess insurance only."
3. "This insurance shall act for each insured and additional insured as though a separate policy had been written for each. This, however, will not act to increase the limit of liability of the insuring company." Coverage specified herein shall apply to acquisition actions of all procuring agencies under this contract.

4. "Thirty (30) days' prior written notice of Termination shall be given to VVTA in the event of Termination."

Such notice shall be sent to:
Victor Valley Transit Authority
ATTN: Christine Plasting
17150 Smoke Tree Street
Hesperia, California 92345

C. Proof of Coverage

Copies of all the required Endorsements shall be attached to the CERTIFICATE OF INSURANCE which shall be provided by the Contractor's insurance company as evidence of the stipulated coverage. This Proof of Insurance shall then be mailed to:

Victor Valley Transit Authority
ATTN: Christine Plasting
17150 Smoke Tree Street
Hesperia, California 92345

D. Special Provisions

1. The foregoing requirements as to the types and limits of insurance coverage to be maintained by Contractor and any approval of said insurance by the VVTA Board, VVTA staff or their insurance consultant(s), are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Contractor pursuant to this Contract, including, but not limited to, the provisions concerning indemnification.
2. VVTA reserves the right to withhold payments to Contractor in the event of material noncompliance with the insurance requirements outlined above.

19. INDEMNIFICATION

- A. To the furthest extent allowed by law, including California Civil Code section 2782, Contractor shall indemnify, hold harmless and defend VVTA and each of its members, board members, officers, officials, employees, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage) incurred by VVTA, Contractor or any other person, and from any and all claims, demands and actions in law or equity (including attorney's fees and litigation expenses), arising or alleged to have arisen directly or indirectly out of performance of this Agreement. Contractor's obligations under the preceding sentence shall apply regardless of whether VVTA or any of its members, board members, officers, officials, employees or agents are passively negligent, but shall not apply to any loss, liability, fines, penalties, forfeitures, costs or damages caused by the active or sole negligence, or the willful misconduct, of VVTA or any of its members, board members, officers, officials, employees, agents or volunteers.

If Contractor should subcontract all or any portion of the services to be performed under this Agreement, Contractor shall require each subcontractor to indemnify, hold harmless and defend VVTA and each of its members, board members, officers, officials, employees, agents and volunteers in accordance with the terms of the preceding paragraph.

Notwithstanding the preceding paragraph, to the extent that Contractor and/or Subcontractor is a "design professional" as defined in Section 2782.8 of the California Civil Code and performing work hereunder as a "design professional" shall, in lieu of the preceding paragraph, indemnify, hold harmless and defend VVTA and each of its members, board members, officials, officers, employees, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage), and from any and all claims, demands and actions in law or equity (including reasonable attorney's fees and litigation expenses) to the extent that any loss, liability, fines, penalties, forfeitures, costs, damages, claims, demands or actions in law or equity arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of "design professional," its principals, officers, employees or agents in the performance of this Agreement. In no event shall the cost to defend charged to the design professional exceed the design professional's proportionate percentage of fault. However, notwithstanding the previous sentence, in the event one or more defendants is unable to pay its share of defense costs due to bankruptcy or dissolution of the business, the design professional shall meet and confer with other parties regarding unpaid defense costs.

This Section shall survive termination or expiration of this Agreement.

- B. If CONTRACTOR has retained legal counsel reasonably acceptable to Agency, CONTRACTOR shall have the sole charge and direction of the defense of the suit, action or proceeding while it is assigned to such counsel. VVTA shall at the request of the CONTRACTOR furnish to the CONTRACTOR all reasonable assistance that may be necessary for the purpose of defending such suit, action or proceeding, and shall be repaid all reasonable costs incurred in doing so. VVTA shall have the right to be represented therein by advisory council of its own selection at its own expense.

20. REVISIONS

By written notice or order, VVTA may, from time to time, order work suspension or make changes to this Agreement. Changes in the Work shall be mutually agreed to and incorporated into an amendment to this Agreement. Upon execution of an amendment, CONTRACTOR shall perform the Work, as amended.

Price Adjustments:

- A. Any change in the contract that causes an increase or decrease in cost to VVTA, or the time required for the performance of the contract, must be approved as prescribed herein. In the event that the change is a request for price escalation by the Contractor, any price escalation or de-escalation must be justified by the contractor using acceptable measures such as the Consumer Price Index (CPI) or other universally accepted measure.
- B. An equitable adjustment in the compensation and schedule will be made upon an approved Change Order.
- C. CONTRACTOR shall be liable for all costs resulting from, or for satisfactorily correcting, any and all unauthorized specification changes not properly ordered by written modification to the contract.
- D. Except as otherwise expressly provided in the Contract, when costs are a factor in any

determination of a contract price adjustment, such costs shall be in accordance with the applicable cost principles of Subpart 31.2 of the Federal Acquisition Regulations (FAR) in effect at the onset of the Contract.

Modifications:

Unless specified otherwise in the Agreement, this Agreement may only be modified by written mutual consent evidenced by signature of representative authorized to enter into and modify the Agreement. In order to be effective, amendments may require approval by VVTA's Board of Director, and in all instances require prior signature of an authorized representative of VVTA.

21. RIGHTS IN TECHNICAL DATA

- A. No material or technical data prepared by CONTRACTOR under this Agreement is to be released by CONTRACTOR to any other person or entity except as necessary for the performance of the Work. All press releases or information concerning the Work that might appear in any publication or dissemination, including but not limited to, newspapers, magazines, and electronic media, shall first be authorized in writing by VVTA.
- B. The originals of all letter, documents, reports and other products and data produced under this Agreement shall become the property of VVTA without restriction or limitation on their use and shall be made available upon request to VVTA at any time. Original copies of such shall be delivered to VVTA upon completion of the Work or termination of the Work. CONTRACTOR shall be permitted to retain copies of such items for the furtherance of its technical proficiency; however, publication of this material is subject to the prior written approval of VVTA. The provisions of this paragraph shall survive termination or expiration of this Agreement and/or final payment thereunder.

22. OWNERSHIP OF REPORTS AND DOCUMENTS

The originals of all letters, documents, reports and other products and data produced under this Agreement shall be delivered to, and become the sole and exclusive property of VVTA. Copies may be made for CONTRACTOR's records, but shall not be furnished to others without prior written authorization from VVTA. Such deliverables shall be deemed works made for hire, and all rights in copyright therein shall be retained by VVTA.

23. OWNERSHIP RIGHTS

- A. In the event VVTA rightfully obtains copies of Proprietary Data under the terms of the separate License Agreement and Escrow Agreement that govern rights in Documentation, Software and Intellectual Property created and/or develop by CONTRACTOR, its Third Party Software Contractors and its Suppliers as part of the Project, any derivative works and associated documentation created by and on behalf of VVTA by Permitted Programmers (as defined in the License Agreement) shall be the sole and exclusive property of VVTA (collectively "VVTA Intellectual Property"), and VVTA may use, disclose and exercise dominion and full rights of ownership, in any manner in VVTA Intellectual

Property in connection with the use, operation and maintenance of a transportation system administered by VVTA. No use of VVTA Intellectual Property shall be made for any purpose other than in conjunction with a transportation system administered by CONTRACTOR, and VVTA shall not sell, lease, rent, give away or otherwise disclose any VVTA Intellectual property to any outside third party other than Permitted programmers. To the extent there may be any question of rights of ownership or use in any VVTA Intellectual Property, CONTRACTOR shall require all of its subcontractors and suppliers (including without limitation its Third Party Software Contractors) to assign to VVTA, all worldwide right, title and interest in and to all VVTA Intellectual Property in a manner consistent with the foregoing terms of this paragraph. CONTRACTOR shall execute any documents as VVTA may from time to time reasonable request to effectuate the terms of this paragraph.

- B. All documentation and Software which predates this Contract and which otherwise owned by Contractor or its Third Party Software Contractors, and all Documentation and Software which is created by CONTRACTOR or its Third Party Software Contractors shall be Licensed Software or Licensed Documentation, as appropriate. All Licensed Software and Licensed Documentation shall be governed by License Agreement by and between the parties of event date herewith.

24. WORK FOR HIRE

Any Work created or produced as a part of this Agreement that may be defined under Section 101, Title 17, USC will be considered "work for hire" as it pertains to ownership rights. CONTRACTOR, by his/her endorsement heron agrees that all rights to any work(s) created or produced are waived, and that ownership rests with VVTA. CONTRACTOR further agrees to ensure transfer of all rights to such work(s), as defined under federal copyright law that may be created or produced under this Agreement by its suppliers, contractors or subcontractors.

25. SUBMITTAL OF CLAIMS BY CONTRACTOR

A. Claim and Dispute Submittals

Any dispute related to this Contract or its breach that is not resolved by agreement shall be promptly submitted in accordance with this Section, with adequate supporting data. Adequate supporting data shall include but is not limited to a statement of the reasons for the asserted entitlement, the certified payrolls, invoice(s) for material and equipment rental, an itemized breakdown of any adjustment sought, and supporting schedules.

At the time of submission of any claim, Design-Builder shall certify as follows:

SUBMISSION UNDER PENALTY OF PERJURY

"I, (insert full name) , am the (insert title--must be an Officer) of (insert name of firm) , and I declare under penalty of perjury under the laws of the State of California and do personally certify and attest that: I have thoroughly reviewed the attached claim for additional compensation and/or extension of time, and know its contents, and said claim is made in good faith; that the supporting data is truthful and accurate; that the amount requested accurately reflects the contract adjustment for which I believe the Trustees are liable, and further, that I am familiar with California Penal Code section 72 and California Government Code section 12650 *et seq.*, pertaining to false claims, and further know and understand that submission or certification of a false claim may lead to fines, imprisonment and/or other severe legal consequences."

BY: (signature) _____ Date: (insert date of signature)

CONTRACTOR's submission of a claim, properly certified, with all required supporting documentation, and VVTA's written rejection or denial of all or part of the claim(s) are conditions precedent to any action, proceeding, litigation, suit, or demand for arbitration by CONTRACTOR.

B. CONTRACTOR's Claim(s) – Notice of Claim

Should CONTRACTOR disagree with the determination of VVTA on a matter that substantially affects CONTRACTOR's costs, compensation or extent of Work, CONTRACTOR shall file a preliminary claim with VVTA. For purposes of this Section "claim" means a separate demand by CONTRACTOR, sent by registered or certified mail with return receipt requested, for one or more of the following:

- (1) A time extension for relief from damages or penalty for delay;
- (2) VVTA's payment which is not otherwise expressly provided or to which CONTRACTOR is not otherwise entitled;
- (3) Payment of an amount that is disputed by VVTA, and/or
- (4) Subcontractor claims.

C. Actions Prior to Claims Review

- (1) CONTRACTOR's Claim Submittal / Documentation.

CONTRACTOR submitted its claim in accordance with this Section, subsections 'A' and 'B'.

- (2) VVTA's Review of CONTRACTOR's Claim upon Receipt.

VVTA shall conduct a reasonable review of the claim upon receipt and, within a period not to exceed 45 days, shall provide CONTRACTOR a written statement identifying disputed and undisputed portions of the claim. Upon receipt of the claim, VVTA and CONTRACTOR may, by mutual agreement, extend the time provided herein. VVTA'S failure to issue a written statement shall result in the rejection of the claim in its entirety. A claim that is denied by reason of the VVTA's failure to respond to the claim or to meet the time requirements contained herein shall not constitute an adverse finding regarding the merits of the claim or the responsibility/qualifications of CONTRACTOR.

- (3) VVTA's Payment of Undisputed Portion of Claim.

VVTA shall pay the undisputed portion of the claim within 60 days after issuing the written statement.

D. Informal Meet and Confer Conference

(1) If CONTRACTOR disputes VVTA'S response, or if VVTA fails to respond to CONTRACTOR's claim within the time prescribed, CONTRACTOR may demand in writing an informal conference to meet and confer for settlement of the issues in dispute. Upon receipt of a demand in writing sent by registered or certified mail with return receipt requested, VVTA shall schedule a meet and confer conference within 30 days for settlement of the dispute.

(2) Post-Meet and Confer Conference

Within ten business days following conclusion of meet and confer conference, VVTA shall provide CONTRACTOR a second written statement identifying the portion of the claim that remains in dispute and the portion that is undisputed. VVTA shall pay the undisputed portion within 60 days after VVTA issues the second written statement.

E. Unresolved Claims Review

Any remaining disputed portion of the claim, CONTRACTOR may submit the disputed portion of the claim to mediation.

F. CONTRACTOR Submission of Unresolved Claims.

CONTRACTOR shall submit all claims in writing in accordance with this Section to VVTA no later than 30 Days after the County Recorder's recordation date on the VVTA's Notice of Completion. CONTRACTOR's failure to submit its claims to VVTA within this 30-Day period shall constitute a waiver by CONTRACTOR of such claims.

Once the claims have been submitted, and the 30 Days after the County Recorder's recordation date on the Notice of Completion have expired, CONTRACTOR may not submit any additional claims. CONTRACTOR shall have 30 additional Days in which to submit six copies of a total and detailed claims package. Failure to submit the full detailed package within this second 30-Day period shall constitute a waiver by Design-Builder of such claims.

G. False Claims.

CONTRACTOR submits the claim recognizing the significant civil penalties and treble damages, which follow from making a false claim or presenting a false claim to VVTA (see Government Code sections 12650 *et seq*).

H. VVTA's Claim(s) Submittal.

VVTA shall submit a rebuttal to CONTRACTOR's claim within a reasonable time after the submission by CONTRACTOR of a total and detailed claims package or the expiration of the time to file CONTRACTOR's claims.

I. CONTRACTOR's Rebuttal to VVTA's Claims.

Upon submission of any VVTA claims, CONTRACTOR shall have an additional 30-day period to submit to the CONTRACTOR's rebuttal to VVTA's claims.

J. Actions Post Claims Review.

(1) Initial Mediation.

Should a dispute remain unresolved following exhaustion of the Claims Review process, the parties shall attempt in good faith first to mediate such dispute and use their best efforts to reach agreement on the matters in dispute.

Within ten business days after the disputed portion has been identified in the VVTA's second written statement, VVTA and CONTRACTOR shall mutually agree to a mediator, for which VVTA and CONTRACTOR shall share the costs equally. If CONTRACTOR and VVTA cannot agree on a mediator, each party shall select a mediator, and these mediators shall select a qualified neutral third party to mediate with regard to the disputed portion of the claim. Each party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator.

(2) Other Dispute Resolution.

If, on completion of such mediation, the parties are unable to agree and settle the dispute, then the dispute may be pursued in litigation or through some other dispute resolution technique, except arbitration.

Even though a claim may be filed and/or in review by VVTA, CONTRACTOR shall continue to perform in accordance to this Agreement.

26. EQUAL OPPORTUNITY

CONTRACTOR shall not discriminate against, or grant preferential treatment to, any individual or group, or any employee or applicant for employment because of race, age, religion, color, ethnicity, sex, national origin, ancestry, physical disability, mental disability, political affiliation, sexual orientation, marital status or other status protected by law. CONTRACTOR shall take action to ensure that applicants and employees are treated without regard to the above.

27. STANDARD OF PERFORMANCE

- A. CONTRACTOR shall perform and exercise, and require its subcontractors to perform and exercise due professional care and competence in this performance of the Work in accordance with the requirements of this Agreement. CONTRACTOR shall be responsible for the professional quality, technical accuracy, completeness and coordination of the Work, it being understood that VVTA will be relying upon such professional quality, accuracy, completeness and coordination in utilizing the Work. The foregoing obligations and standards shall constitute the "Standard of performance" for purposes of this Agreement. The provisions of this paragraph shall survive termination or expiration of this Agreement and/or final payment thereunder.
- B. All workers shall have sufficient skill and experience to perform the Work assigned to them. VVTA shall have the right, at its sole discretion to require the immediate removal of CONTRACTOR's personnel at any level assigned to the performance of the Work at no additional fee or cost to VVTA, if VVTA considers such removal in its best interests and requests such removal in writing and such request is not done for illegal reasons. Further,

an employee who is removed from performing Work under the Agreement under this Article shall not be reassigned to perform Work in any other capacity under this Agreement without VVTA's prior written approval.

28. NOTIFICATION OF EMPLOYMENT OF VVTA BOARD MEMBERS/ALTERNATES AND EMPLOYEES

To ensure compliance with VVTA's Ethics Policy, CONTRACTOR shall provide written notice to VVTA disclosing the identity of any individual who CONTRACTOR desires to employ or retain under a contract, and who (1) presently serves as a Board Member/Alternate or an employee of VVTA, or (2) SERVED AS A Board Member/Alternate or an employee of VVTA within the previous 12 months of the date of the proposed employment or retention by CONTRACTOR. CONTRACTOR's written notice shall indicate whether the individual will be an officer, principal or shareholder of the entity and/or will participate in the performance of this Agreement.

29. DISQUALIFYING POLITICAL CONTRIBUTIONS

In the event of a proposed amendment to this Agreement, CONTRACTOR shall provide prior to the execution of such amendment, a written statement disclosing any contribution(s) of \$250 or more made by CONTRACTOR or its subcontractor(s) to VVTA Board Members/Alternates or employees within the preceding twelve (12) months of the date of the proposed amendment. Applicable contributions include those made by any agent/person/entity on behalf of CONTRACTOR or subcontractor(s).

30. COMPLIANCE WITH LAW

CONTRACTOR shall familiarize itself with and perform the Work required under this Agreement in conformity with requirements and standards of VVTA, municipal and public agencies, public and private utilities, special districts, and railroad agencies whose facilities and work may be affected by Work under this Agreement. CONTRACTOR shall also comply with all Federal, state and local laws and ordinances.

31. COMPLIANCE WITH LOBBYING POLICIES

- A. CONTRACTOR agrees that if it is a Lobbyist Employer or if it has retained a Lobbying Firm or Lobbyist, as such terms are defined by VVTA in its Ethics Policy, it shall comply or ensure that its Lobbying Firm and Lobbyist complies with VVTA's Ethics Policy.
- B. If CONTRACTOR (Lobbyist Employer) or its Lobbying Firm or Lobbyist fails to comply, in whole or in part, with VVTA's Ethics Policy, such failure shall be considered a material breach of this Agreement and VVTA shall have the right to immediately terminate or suspend this Agreement.

32. WAIVER/INVALIDITY

No waiver of a breach of any provision of this Agreement by either party shall constitute a waiver of any other breach of the provision, or of any other breach of the provision of the Agreement. Failure of either party to enforce any provision of this Agreement at any time shall not be construed as a waiver of that provision.

The invalidity in whole or in part of any provision of this Agreement shall no void or affect the validity of any other provision.

33. FORCE MAJEURE

Performance of each and all CONTRACTOR's and VVTA's covenants herein shall be subject to such delays as may occur without CONTRACTOR's or VVTA's fault from acts of God, strikes, riots, or from other similar causes beyond CONTRACTOR's or VVTA's control.

34. CONFIDENTIALITY

CONTRACTOR agrees that for and during the entire term of this Agreement, any information, data, figures, records, findings and the like received or generated by CONTRACTOR in the performance of this Agreement, shall be considered and kept as the private and privileged records of VVTA and will not be divulged to any person, firm, corporation, or other entity except on the direct prior written authorization of VVTA. Further, upon expiration or termination of this Agreement for any reason, CONTRACTOR agrees

that it will continue to treat as private and privileged any information, data, figures, records, findings and the like, and will not release any such information to any person, firm, corporation or other entity, either by statement, deposition, or as a witness, except upon direct prior written authority of VVTA.

35. CONTRACTOR'S INTERACTION WITH THE MEDIA AND THE PUBLIC

- A. VVTA shall review and approve in writing all VVTA related copy proposed to be used by CONTRACTOR for advertising or public relations purposes prior to publication.

CONTRACTOR shall not allow VVTA related copy to be published in its advertisements and public relations programs prior to receiving such approval. CONTRACTOR shall ensure that all published information is factual and that it does not in any way imply that VVTA endorses CONTRACTOR's firm, service, and/or product.

- B. CONTRACTOR shall refer all inquiries from the news media to VVTA, and shall comply with the procedures VVTA's Public Affairs staff regarding statements to the media relating to this Agreement or the Work.
- C. If CONTRACTOR receives a complaint from a citizen or the community, CONTRACTOR shall inform VVTA as soon as possible and inform VVTA of any action taken to alleviate the situation.
- D. The provision of this Article shall survive the termination or expiration of this Agreement.

36. CONFLICT OF INTEREST

A. Prohibited Interests

1. During the term of this Contract, Contractor, its officers, employees and their immediate families shall not acquire any interest, direct or indirect, that would conflict with the performance of services required to be performed under this Contract.
2. Violation of subparagraph A. (1), is a material breach of this Contract, and Agency shall have the right to debar Contractor from participating at any tier in any Agency contract for a period of up to five (5) years.
3. Contractor shall include a copy of subparagraphs A. (1), and A. (2), of this provision in any agreement it makes with its subcontractors.

B. Covenant

1. Contractor covenants that prior to award of this Contract, Contractor has disclosed any present interest and any interest existing within twelve (12) months prior to award of this Contract including, without limitation, any business or personal relationship that creates an appearance of a conflict of interest. Disclosable interests and relationships are those that may reasonably be viewed as creating a potential or actual conflict of interest. Disclosable interests and relationships are those that may reasonably be viewed as creating a potential or actual conflict of interest. Any existing or prospective interest acquired or occurring after submission of the initial Certification shall be provided in an amended Certification with the executed Contract and shall be incorporated into the Contract by this reference. Violation of this covenant is a material breach of this Contract.
2. In addition, Contractor shall immediately disclose in writing to VVTA and or to the other procuring agencies General Manager and Chief Legal Counsel any interest or relationship described in subparagraph B(1) acquired or occurring during the term of this Contract.
3. Violation of the above disclosure obligations is a material breach of this Contract.

37. COVENANT AGAINST GRATUITIES

A. Prohibited Conduct

1. During the term of this Contract, Contractor, its officers and employees and their immediate families are prohibited from offering or giving a gratuity in any form including, without limitation, entertainment, favors, loans, gifts or anything of greater than nominal value for any reason including personal, non-business related reasons to any Lead Procuring Agency officer or employee or their immediate families. For the purpose of this section, nominal value means anything (1) having an aggregate value of \$35.00 (thirty-five dollars) or less per year; or (2) any perishable item (flowers or food) of any value except that prepared meals are subject to the \$35.00

limit. A campaign contribution is not a gratuity and is not prohibited by this Section.

2. Violation of subparagraph A(1) of this provision is a material breach of this Contract, and Agency shall have the right to debar Contractor from participating at any tier in any Agency contract for a period of up to five (5) years.
3. Contractor shall include a copy of subparagraphs A (1) and A (2) of this provision in any agreement it makes with its subcontractors.

B. Covenant

Contractor covenants that prior to award of this Contract, Contractor has disclosed, any gratuity, as described above, that it, its officers, employees or their immediate families have offered or given to any Agency officer, employee or their immediate families for any reason including personal non-Business related reasons within the twelve (12) months prior to award of this Contract. Any gratuity offered or given after submission of the initial Certification shall be provided in an amended Certification with the executed Contract and shall be incorporated into the Contract by this reference. Violation of this covenant is a material breach of this Contract.

38. WARRANTY OF AUTHORITY

The person executing this Contract on behalf of Contractor affirmatively represents that she/he has the requisite legal authority to enter into this Contract on behalf of Contractor and to bind Contractor to the terms, covenants and conditions of this Contract. Both the person executing this Contract on behalf of Contractor and CONTRACTOR understand that VVTA is relying on this representation in entering into this Contract.

39. ENTIRE AGREEMENT

This Contract, including any and all Exhibits, constitutes the entire agreement between VVTA and CONTRACTOR and supersedes all prior negotiations, representations, or agreements, whether written or oral. In the event of a dispute between the parties as to the language of this Contract or the construction or meaning of any term hereof, this Contract shall be deemed to have been drafted by the parties in equal parts so that no presumptions or inferences concerning its terms or interpretation may be construed against any party to this Contract.

IN WITNESS WHEREOF, the parties have executed this Contract on the day and year set forth above.

VICTOR VALLEY TRANSIT AUTHORITY

By: 

Kevin Kane, VVTA Executive Director

APPROVED AS TO FORM

via email 10/24/18
VVTA Legal Counsel

CONTRACTOR

By: 

Name: Bryan J. Zatica

Title: President

**CORRESPONDENCE
/PRESS CLIPS**

DAILY PRESS

Man, 42, arrested after incident on VVTA bus

By Staff reports

Posted Nov 1, 2018 at 8:44 PM

Updated Nov 1, 2018 at 8:44 PM

APPLE VALLEY — A Victor Valley Transit bus driver and passengers stopped a 42-year-old Apple Valley man from assaulting a young girl aboard a bus Wednesday.

San Bernardino County Sheriff's Department officials said the bus driver stopped the bus near Apple Valley Road and Highway 18 about 5:15 p.m. because Antoine Ryans was making "inappropriate" comments to passengers.

The driver and several passengers stopped Ryans as he approached a female passenger. Ryans then got off the bus and tried to run away, deputies reported, but was later found in the area and arrested.

Deputies said a records check showed Ryans is a registered sex offender and on parole.

Ryans was booked into the High Desert Detention Center on suspicion of attempted lewd acts with a minor and violating his parole. He remains in custody in lieu of \$125,000 bail. Ryans is expected to appear in court Friday.