

**THIS PRINT COVERS CALENDAR ITEM NO.:10.6**

**SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY**

**DIVISION:** Central Subway Project

**BRIEF DESCRIPTION:**

Authorizing the Director of Transportation or his designee to execute a Grant and Cooperative Agreement with the Metropolitan Transportation Commission (MTC) for MTC to procure, through its existing Clipper<sup>®</sup> contract, fare collection equipment and associated technical support for the Central Subway Project, for an amount not to exceed \$4,100,000 and a term not to exceed four years.

**SUMMARY:**

- SFMTA will require new fare gates and ticket vending machines (TVMs) for the Central Subway Project (CSP). SFMTA intends that the CSP will use fare gates and TVMs that are identical to those that have been installed in its Muni Metro Stations.
- The Metropolitan Transportation Commission (MTC) contracts with Cubic Transportation Systems, Inc. (Cubic) to design, build, operate and maintain a smart card-based fare payment system (Clipper<sup>®</sup>).
- To ensure consistent fare collection within the Muni system, the SFMTA must procure Clipper<sup>®</sup> equipment.
- Through the proposed Grant and Cooperative Agreement, SFMTA will provide federal funds to MTC as a subgrantee, passing through grant requirements to MTC. According to its practice, MTC will execute a change order with Cubic to procure the required fare equipment and technical support services for the SFMTA.
- Funding for construction services under this Contract is furnished from federal, state and local sources.

**ENCLOSURES:**

1. SFMTAB Resolution
2. Project Budget & Financial Plan
3. Grant and Cooperative Agreement

**APPROVALS:**

**DATE:**

DIRECTOR \_\_\_\_\_

3/10/15

SECRETARY \_\_\_\_\_

3/10/15

**ASSIGNED SFMTAB CALENDAR DATE:** March 17, 2015

## **PAGE 2.**

### **PURPOSE**

The purpose of this item is to authorize the Director of Transportation or his designee to execute a Grant and Cooperative Agreement with the MTC for MTC to procure, through its existing Clipper<sup>®</sup> contract, fare collection equipment and associated technical support for the Central Subway Project, for an amount not to exceed \$4,100,000 and a term not to exceed four years.

### **GOAL**

The Third Street Light Rail Program, Phase 2 Central Subway is a critical transportation improvement that links neighborhoods in the southeastern part of San Francisco with retail and employment centers in downtown and Chinatown, is consistent with the SFMTA Strategic Plan, and meets the following goals and objectives:

Strategic Plan Goal 3 – Improve the environment and quality of life in San Francisco  
Objective 3.3 Allocate capital resources effectively

### **DESCRIPTION**

#### **Background and Current Program Status:**

The SFMTA's Third Street Light Rail Transit Project is the most significant capital investment in generations for the seventh largest transit system in the nation. Phase One of the 6.9 mile, two-phase project began revenue service in April 2007, restoring light rail service to the heavily transit-dependent Third Street corridor in eastern San Francisco for the first time in 50 years.

The Central Subway Project, Phase Two of the Third Street Light Rail Transit Project, will provide rail service to the Financial District and Chinatown, the most densely developed area of San Francisco. The new light rail line will serve regional destinations, such as Union Square, Moscone Convention Center, Yerba Buena and AT&T Park, as well as connect directly to BART and Caltrain, the Bay Area's two largest regional commuter rail services.

#### **Purpose and Scope of Contract:**

MTC manages a common regional smart card-based fare payment system referred to as Clipper<sup>®</sup>. In 1999, MTC entered into a contract with Motorola Inc. (later assigned to Cubic) to design, build, operate and maintain the system. The contract contemplates rolling out the system to all Bay Area transit agencies, including supplying the transit agencies with all devices, equipment and software support necessary for the system.

**PAGE 3.**

Currently, Cubic has designed the fare collection system and provided equipment to permit transit patrons to use Clipper<sup>®</sup> for payment of fares on 13 transportation systems in the Bay Area, including Muni, as well as for five parking garages in San Francisco. Muni began operating in revenue service using Clipper<sup>®</sup> in 2008. MTC expects to complete the roll-out to Bay Area transit agencies by 2016.

Among the devices that are a part of the fare payment system are Card Interface Devices (CIDs) on the fare gates and other fare collection equipment that read and encode data on Clipper<sup>®</sup> cards. The CIDs are used exclusively for fare payments on vehicles, and at stations and ferry docks.

In August 2009, the SFMTA entered into a Grant and Cooperative Agreement with MTC in the amount of \$29,150,000 to replace its aging fare equipment with Clipper<sup>®</sup>-only fare collection equipment to help complete the rollout of the regional Clipper<sup>®</sup> smartcard system. At that time, the MTC advised the SFMTA that it intended to enter into a sole source change order with Cubic for the design of a CID for fare gates (CID4) that was technically similar to those already supplied for vehicle and station platform installations. MTC advised that the CID4 could be used not only by the SFMTA, but for future fare gate installations throughout the Bay Area. Although the Cubic contract anticipated the need to substitute enhancements or improved replacements for the equipment specified in the original contract, this particular application of the CID was not specifically referenced in the contract.

MTC justified this sole source under the following federal guidelines (FTA Circular 4220.1F):

1. Substantial Duplication Costs: In the case of a follow-on contract for the continued development or production of highly specialized equipment and major components thereof, when it is likely that award to another contractor would result in substantial duplication of costs that are not expected to be recovered through competition”, a sole source change order or contract is justified. (VI.3.i(1)(b)-1)
2. Unacceptable Delay. In the case of a follow-on contract for the continued development or production of a highly specialized equipment and its major components, when it is likely that award to another contractor would result in unacceptable delays in fulfilling the recipient’s needs” (VI.3.i(1)(b)-1), a sole source contract or change order is justified.

Under the proposed Agreement, SFMTA will provide SFMTA grant funds to MTC as a subrecipient in order for MTC to procure the necessary fare equipment and associated technical support services for the Central Subway stations. To ensure fare collection consistency between the CSP and the rest of the Muni system, the SFMTA will be procuring the same equipment from MTC under the proposed Agreement as it procured under the 2009 Agreement. Because the same equipment is being procured, MTC has advised that it will issue a change order to Cubic in the same manner it uses to add a new

**PAGE 4.**

operator to the Clipper<sup>®</sup> system and procure equipment and associated services for that operator.

The Central Subway contractor will prepare the sites for installation of the equipment. The scope of work under this Agreement includes:

1. Purchasing, delivering and installing the following equipment:
  - a. Clipper<sup>®</sup> Ticket Vending Machines (TVMs)
  - b. Faregates
  - c. Agent Control Terminals
  - d. Associated network equipment and software to support integration into the current design in use by the existing SFMTA Metro station faregates and TVMs.
  - e. Spare parts
2. Associated testing of software and equipment (as required under the Clipper<sup>®</sup> contract); Cubic oversight of preparatory work by the Central Subway contractor
3. Submittal of operations manuals and other documentation.

The Engineer's Estimate for the fare collection system was approximately \$3.44 Million. On May 14, 2014, SFMTA received a proposal from MTC and Cubic for the required scope of services and equipment with a price of \$3,959,925. Staff engaged in lengthy negotiations with MTC and Cubic, which resulted in a reduction of the price to \$3,550,507. The 3.5 percent difference between the estimate and the final equipment price of approximately \$3.55 million reflects a price adjustment for the equipment, which adjustment was provided for under the Clipper<sup>®</sup> contract. MTC performed a cost and price analysis and determined that the price negotiated with Cubic is fair and reasonable.

The remainder of the contract amount of \$4.1 million includes costs for MTC staff time (\$180,000) and a 10 percent contingency for future annual price adjustments allowed under the Clipper<sup>®</sup> contract. The Clipper<sup>®</sup> contract specifies that the actual price for the equipment is based on price at the time of delivery. SFMTA will be unable to accept delivery until 2017 to coordinate with the construction schedule for Central Subway stations.

**Small Business Enterprise and Workforce Development Opportunities:**

MTC, not SFMTA, is procuring the fare collection equipment and related services outlined in the cooperative agreement directly from Cubic. Therefore, the terms of MTC's DBE Program, as it pertains to the Clipper<sup>®</sup> contract with Cubic, will apply.

**PAGE 5.**

**ALTERNATIVES CONSIDERED**

The SFMTA has already procured similar fare collection equipment for its Muni Metro stations. Because the contract between MTC and Cubic contemplates a roll-out of Clipper® on all Bay Area transit systems, the SFMTA did not seriously consider procuring fare gates through a separate solicitation.

**FUNDING IMPACT**

The budget for the Central Subway Project includes funding for procurement of fare equipment. The CSP is funded by a combination of federal, state and local monies. The Project Budget & Financial Plan is set forth in Enclosure 2.

**OTHER APPROVALS RECEIVED OR STILL REQUIRED**

Execution of this Agreement is contingent on approval of the Agreement by the Metropolitan Transportation Commission.

The City Attorney's Office has reviewed this calendar item.

**RECOMMENDATION**

Staff recommends SFMTA Board authorize the Director of Transportation or his designee to execute a Grant and Cooperative Agreement with the Metropolitan Transportation Commission for MTC to procure, through its existing Clipper® contract, Clipper®-only fare collection equipment and associated technical support for the Central Subway Project, for an amount not to exceed \$4,100,000 and a term not to exceed four years.

SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS

RESOLUTION No. \_\_\_\_\_

WHEREAS, The San Francisco Municipal Transportation Agency (SFMTA) will require new fare gates and ticket vending machines (TVMs) for the Central Subway Project (CSP), which is Phase 2 of the Third Street Light Rail Transit Project; and

WHEREAS, The Metropolitan Transportation Commission (MTC) manages a common regional smart card-based fare payment system known as Clipper<sup>®</sup>; and

WHEREAS, MTC contracts with Cubic Transportation Systems, Inc. (Cubic) to design, build, operate and maintain the Clipper<sup>®</sup> system; and

WHEREAS, To ensure consistent fare collection within the existing Muni Metro subway, the above-ground Muni system, and the Central Subway system, and because of its commitment to be part of the Clipper<sup>®</sup> system, the SFMTA must procure Clipper<sup>®</sup> equipment; and

WHEREAS, MTC and the SFMTA have negotiated a Grant and Cooperative Agreement (Agreement) under which the SFMTA will provide MTC, as a subrecipient, with grant funds for the procurement of Clipper<sup>®</sup>-only fare collection equipment and technical support services for the Central Subway Project; and

WHEREAS, Under the Agreement, the price of the equipment is \$3,550,507, \$180,000 is reserved to cover MTC staff costs, and there is a contingency of 10 percent to cover annual price adjustments until delivery of the equipment, for a total contract amount not to exceed \$4,100,000; and

WHEREAS, The funding for the contract is from federal, state and local sources; now, therefore, be it

RESOLVED, That the SFMTA Board of Directors authorizes the Director of Transportation or his designee to execute a Grant and Cooperative Agreement with the Metropolitan Transportation Commission for MTC to procure, through its existing Clipper<sup>®</sup> contract, Clipper<sup>®</sup>-only fare collection equipment and associated technical support for the Central Subway Project, for an amount not to exceed \$4,100,000 and a term not to exceed four years; and be it further

RESOLVED, That execution of the Grant and Cooperative Agreement is subject to approval of the Agreement by the Metropolitan Transportation Commission; and be it

FURTHER RESOLVED, That the Board of Directors authorizes the Director of Transportation to make such clarifications to and modifications of the contracts here presented (including without limitation, the exhibits) that the Director of Transportation determines, in consultation with the City Attorney, are in the best interests of the City, do not increase the obligations or liabilities of the City, are necessary or advisable to effectuate the purposes of the Agreement or this Resolution, and are in compliance with all applicable laws, including the City's Charter.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of March 17, 2015.

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Secretary to the Board of Directors  
San Francisco Municipal Transportation Agency

ENCLOSURE 2  
 THIRD STREET LIGHT RAIL PROJECT  
 CENTRAL SUBWAY

San Francisco Municipal Railway

Project Budget and Financial Plan

<b>Cost</b>	<b>(\$Millions)</b>
Conceptual and Preliminary Engineering	46.22
Program Management & Construction Management	177.00
Final Design	75.72
Construction Contracts	1114.26
Vehicles	24.11
Contingency	67.40
Right-of-Way	36.38
Other Professional Services	37.21
<b>Total Central Subway Cost</b>	<b>\$1,578.30</b>

<b>Funding</b>	<b>(\$Millions)</b>
Federal 5309 New Starts	942.20
Federal CMAQ	41.03
State RTIP Grant	88.00
State TCRP Grant	14.00
State Proposition 1A - High Speed Rail	61.31
State Proposition 1B - PTMISEA	307.78
Proposition K Sales Tax Funds	123.98
<b>Total Central Subway Funding</b>	<b>\$ 1,578.30</b>



**FTA 5309 New Starts Grant**

**GRANT AND COOPERATIVE AGREEMENT**

Between the

**CITY AND COUNTY OF SAN FRANCISCO,**  
through its  
**MUNICIPAL TRANSPORTATION AGENCY**

and the

**METROPOLITAN TRANSPORTATION COMMISSION**

**REGARDING THE EXPENDITURE AND  
ADMINISTRATION OF GRANT FUNDS FOR THE  
IMPLEMENTATION OF THE CENTRAL SUBWAY PROJECT WAYSIDE  
FARE COLLECTION EQUIPMENT**

# TABLE OF CONTENTS

	<u>Page</u>
I. .... TERM; EFFECTIVE DATE.....	2
A. .... Term.....	2
B. .... Effective Date .....	2
II. .... PROJECT ELEMENTS.....	2
III. .... PROJECT GRANT.....	2
IV. .... SFMTA RESPONSIBILITIES .....	2
A. .... Disbursement of Project Grant Funds.....	2
B. .... Budget; Allowable Costs .....	2
C. .... Procedures.....	3
D. .... Review and Payment of Invoices.....	3
E. .... Grants Administration.....	3
F. .... Project Management and Administration .....	3
1. .... Project Management/Construction Management.....	3
2. .... Construction Management.....	3
3. .... SFMTA Staff .....	3
4. .... Indemnification .....	4
V. .... MTC Responsibilities .....	4
A. .... Subgrantee.....	4
B. .... Procurement of Goods and Services.....	4
1. .... Goods and Services to be Procured .....	4
2. .... Compliance with FTA Procurement Requirements.....	4
3. .... Contract Provisions.....	4
a. .... Insurance.....	4
b. .... Indemnification .....	4
C. .... Reports .....	5
D. .... Recordkeeping .....	5
E. .... Audit .....	5
F. .... Disallowance.....	5
G. .... MTC Staff.....	5

H.....	Enforcing Contract Provisions of Contractors .....	5
VI. ....	CERTIFICATION; APPROPRIATION OF FUNDS .....	5
A.....	Risk of Non-Appropriation of Grant Funds.....	5
B.....	Certification of Controller; Guaranteed Maximum Costs .....	6
C.....	Automatic Termination for Non-appropriation of Funds .....	6
VII. ....	INDEMNIFICATION.....	6
A.....	Mutual Indemnification .....	6
B.....	Limitation On Liability Of City and MTC .....	7
VIII. ...	EVENTS OF DEFAULT .....	7
A.....	General .....	7
1.....	False Statement .....	7
2.....	Failure to Comply with Applicable Laws .....	7
3.....	Failure to Perform Other Covenants .....	7
4.....	Voluntary Insolvency.....	7
5.....	Involuntary Insolvency .....	7
B.....	Remedies Upon Event of Default .....	7
1.....	Termination.....	8
2.....	Withholding of Project Grant Funds.....	8
3.....	Return of Project Grant Funds .....	8
4.....	Remedies Nonexclusive.....	8
C.....	MTC Remedies .....	8
IX. ....	NOTICES TO THE PARTIES .....	8
X.....	OTHER CONDITIONS.....	9
A.....	No Assignment by MTC.....	9
B.....	Sunshine Ordinance .....	9
C.....	Modifications .....	9
D.....	Submitting False Claims; Monetary Penalties .....	9
E.....	Independent Contractor.....	9
F.....	Conflict of Interest .....	10
G.....	Eligibility to Receive Federal Funds.....	10
H.....	MacBride Principles--Northern Ireland .....	10
I.....	Tropical Hardwood and Virgin Redwood Ban .....	10
J.....	Drug-Free Workplace Policy .....	10

K..... Resource Conservation; Liquidated Damages .....	10
L..... Compliance with ADA .....	10
M..... No Waiver .....	10
N..... Disputes.....	11
O..... Governing Law; Venue.....	11
P..... Headings .....	11
Q..... Entire Agreement .....	11
R..... Severability .....	11
S..... Successors; No Third-Party Beneficiaries .....	11
T..... Survival of Terms .....	11
U..... Further Assurances.....	11

**GRANT AND COOPERATIVE AGREEMENT**

Between the

**CITY AND COUNTY OF SAN FRANCISCO,**  
through its  
**MUNICIPAL TRANSPORTATION AGENCY**

and

**THE METROPOLITAN TRANSPORTATION COMMISSION**

**REGARDING THE EXPENDITURE AND  
ADMINISTRATION OF GRANT FUNDS FOR THE  
IMPLEMENTATION OF THE WAYSIDE FARE COLLECTION EQUIPMENT FOR  
THE CENTRAL SUBWAY PROJECT**

This Grant Agreement ("Agreement") is made this \_\_\_\_\_ day of \_\_\_\_\_, 2015, by and among: the City and County of San Francisco, a municipal corporation, acting by and through its Municipal Transportation Agency ("City" or "SFMTA") and the Metropolitan Transportation Commission ("MTC").

**RECITALS**

**A.** MTC is party to that certain Design Build Operate Maintain Contract, dated July 2, 2009 ("Clipper® Contract") with Cubic Transportation Systems, Inc. ("Cubic"), to design, build, operate and maintain a smart card-based fare payment system ("Clipper®"). When Clipper® is fully deployed, patrons of the various transit operators will be able to use a Clipper® smart card (and no other fare medium) to transfer to and use most Bay Area transit systems.

**B.** SFMTA will require new fare gates and Ticket Vending Machines (TVMs) for its Central Subway Project ("CSP"). SFMTA intends that the CSP will use fare gates and TVMs that are identical to those that have been installed in its Muni Metro Stations. The portion of the CSP that includes procurement, configuration, and installation of the fare gates shall be referred to as "Project."

**C.** SFMTA has received various grants from the Federal Transit Administration ("FTA") of the U.S. Department of Transportation ("DOT") that contain funding for the CSP ("CSP Grants"). The CSP Grant is expressly intended to implement the Project. A description of the CSP Grant is attached as Exhibit A.

**D.** Under DOT regulations, SFMTA may provide FTA funds to a subgrantee under a written agreement passing through grant requirements to the subgrantee.

**E.** MTC has proposed to issue a Change Order under the Clipper® Contract to implement the Project, and has determined that such a Change Order is permitted under FTA regulations and in the public interest.

**F.** SFMTA and MTC are entering into this Agreement to document the parties' responsibilities in connection with the Project and to ensure compliance with FTA requirements for the implementation of the Project and administration of the Project Grant. The parties intend to work cooperatively to provide information and supporting documents necessary to sustain the efficient flow of funds and to support the efficient implementation of the Project under FTA and MTC guidelines.

**G.** The parties understand that all encumbrances and disbursements from the Project Grant are subject to the approval of the Controller of the City.

IN ACCORDANCE WITH THE ABOVE UNDERSTANDINGS, SFMTA and MTC agree as follows:

#### **I. TERM; EFFECTIVE DATE**

**A. Term.** This Agreement will commence on the Effective Date and will terminate when all Project-related funds from the Project Grant have been disbursed and all FTA reporting requirements have been complied with, but in no event later than four years after the Effective Date.

**B. Effective Date.** This Agreement will become effective on September 1, 2015 (the "Effective Date"). MTC may begin to incur costs for reimbursement under this Agreement on the later of the Effective Date and the date MTC receives a written notice to proceed certifying the availability of funds pursuant to Section VI. B. of this Agreement, below.

**II. PROJECT ELEMENTS.** The elements of the Project ("Project Elements"), to be performed by SFMTA, MTC and Cubic, include, but are not limited to, the following: procurement of an SFMTA automatic fare collection (AFC) system, including fare gates and associated materials and equipment; TVMs; construction (site preparation, installation); detailed design; construction management; engineering support; consultant support; Project management; grants administration; and soft launch support. Articles IV and V of this Agreement clarify the Parties' respective responsibilities in implementing the Project Elements.

**III. PROJECT GRANT.** The parties acknowledge and understand that the Project Elements will be funded from the Project Grant listed in Exhibit A. The parties agree that total grant funding for the Project Elements for which MTC is responsible under Section V of this Agreement will not exceed Four Million, One Hundred Thousand Dollars (\$4,100,000).

#### **IV. SFMTA RESPONSIBILITIES**

**A. Disbursement of Project Grant Funds.** SFMTA will disburse funds to MTC's Project account as federally eligible costs are incurred, subject to (1) an invoice submitted by MTC, with adequate documentation of costs incurred, (2) compliance with the terms and conditions of the Project Grant, and (3) compliance with MTC's responsibilities, as set forth below. MTC will be entitled to 100 percent reimbursement of all eligible costs, and will not be required to have local matching funds deducted from such reimbursements. Such reimbursable costs will include reasonable costs actually incurred by MTC staff in the performance of its administrative duties under this Agreement, which shall not exceed \$180,000. SFMTA will not reimburse contractor retention withheld by MTC until such retention is authorized by MTC to be paid to Cubic.

**B. Budget; Allowable Costs.** SFMTA, in consultation with MTC, will develop a Project budget. The SFMTA will reimburse MTC for those services and expenses required to perform the work in accordance with the Project budget. Reimbursement will be in accordance with the cost principles set forth in Office of Management and Budget Circular A-87, Revised,

"Cost Principles Applicable to Grants and Contracts with State and Local Governments," and consistent with the FTA's Master Agreement and annual Certifications and Assurances.

**C. Procedures.** SFMTA staff, after consultation with MTC, will be responsible for preparing any procedures necessary to implement the provisions of this Agreement. The procedures will include processes for billing, accounting, encumbrance and disbursement of funds, tracking of time, and other such functions.

**D. Review and Payment of Invoices.** To support delivery of Project, MTC expects to execute a Change Order with Cubic under the Clipper<sup>®</sup> Contract. Prior to formal submittal of invoices for payment by SFMTA, Cubic or MTC shall submit Cubic invoices to SFMTA. SFMTA shall designate one or more individuals to review Cubic invoices for payment. The SFMTA designee shall determine whether the work on the Project has been completed in accordance with the requirements of the Project Change Order to the Clipper<sup>®</sup> Contract. SFMTA shall complete its review within one week of receipt of an invoice.

Following SFMTA review and approval of the invoice, Cubic shall formally submit the SFMTA-approved invoice for payment to MTC. MTC will then forward the invoice to SFMTA attention: Grants Accounting. SFMTA will make payment to MTC within 30 days of receipt of MTC's invoice. Each invoice from MTC will identify the grant from Exhibit A from which it will draw reimbursement. SFMTA shall wire transfer funds to MTC for reimbursement to a bank routing number to be supplied by MTC.

**E. Grant Administration.** SFMTA will provide required administrative services in connection with the Project Grant. These services may include, but not be limited to, accounting services, financial services, grant administration, services of its Contract Compliance Office, including administration of DBE matters, legal services, and other administrative services. SFMTA will designate one individual to be a Grants Manager for all MTC activities involving the Project Grant. The Grants Manager's primary responsibility will be to ensure compliance with all requirements of the Project Grant, and will provide as-needed counsel and advice to MTC on grant issues, City policies, and federal regulations. The Grants Manager may enlist and utilize other SFMTA resources or staff personnel as necessary to carry out such work and perform the administrative services described above.

## **F. Project Management and Administration.**

**1. Project Management.** SFMTA will designate an individual to perform Project Manager duties for all Project Elements. The Project Manager will be responsible for all day-to-day communications with all parties, directing Cubic's activities, ensuring that all Cubic work is in compliance with the Clipper<sup>®</sup> Contract, reviewing and approving project deliverables, managing the schedule, and reviewing and approving Cubic invoices. The Project Manager may enlist and utilize other SFMTA resources or staff personnel as necessary to carry out administrative work related to construction, including, but not limited to, field inspections, operations support, quality assurance/quality control, project controls, project integration, submittal reviews, and permitting.

**2. Construction Management.** SFMTA will designate an individual or individuals to perform Construction Manager duties for the Central Subway stations owned by SFMTA. SFMTA will also obtain the services of a contractor or contractors to perform site preparation activities (including but not limited to power and telecommunications infrastructure, finishes, railings, swing gate/emergency exit replacement, equipment cabinetry, signage, and equipment surveillance systems).

**3. SFMTA Staff.** A list of key SFMTA staff that will be assigned to the Project, along with their responsibilities, is provided in Exhibit B. SFMTA will notify MTC in writing of any changes to assigned personnel.

**4. Indemnification.** SFMTA agrees to add MTC as an indemnitee in any contracts to perform Project work under which the City and County of San Francisco and/or SFMTA are indemnitees.

**V. MTC RESPONSIBILITIES**

**A. Subgrantee.** MTC will be a subgrantee, responsible for compliance with all applicable provisions of the FTA Master Agreement (FTA MA(15)), Certifications and Assurances for FTA Assistance Programs, the grant application, and all applicable laws and regulations, using sound management practices. MTC shall not have any responsibility for reporting to FTA pursuant to such documents, however. Every provision of FTA MA(15) and the Certifications and Assurances, as applicable, as they may be amended from year to year, are incorporated by reference and will govern MTC's expenditure of all funds under the Project Grant.

**B. Procurement of Goods and Services.**

**1. Goods and Services to be Procured.** MTC will be responsible for procuring the following Project Elements through the Clipper<sup>®</sup> Contract: automatic fare collection equipment, including fare gates, vending machines, back end/network and data access terminals, agency training services, and as-needed equipment, operations and maintenance support.

**2. Compliance with FTA Procurement Requirements.** MTC certifies that it will procure goods and services as necessary for the Project consistent with the requirements of 49 CFR Part 18, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments," FTA Circular 4220.1F, FTA MA(15) and the Certifications and Assurances.

**3. Contract Provisions.** MTC will ensure that Cubic complies, at a minimum, with the following contractual provisions:

**a. Insurance.** Cubic should have minimum insurance levels at the following amounts:

**i.** Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident, injury, or illness; and

**ii.** Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and

**iii.** Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

**iv.** Professional liability insurance, applicable to Cubic's profession, with limits not less than \$1,000,000 each claim with respect to negligent acts, errors or omissions in connection with professional services to be provided under this Agreement.

**v.** Commercial General Liability and Commercial Automobile Liability Insurance policies must be endorsed to name as additional insured the City and County of San Francisco, its officers, agents, and employees.

SFMTA agrees that the insurance provisions in the Clipper<sup>®</sup> Contract comply with the above requirements.

**b. Indemnification.** MTC agrees to add the City and County of San Francisco, including the SFMTA, as additional indemnitees in contract provisions providing for indemnification to MTC under the Clipper<sup>®</sup> Contract.



**C. Reports.** MTC will provide SFMTA with information requested by SFMTA to allow the SFMTA Project Manager to prepare all required quarterly Narrative and Financial Reports with respect to the Project no later than 15 calendar days after each reporting period. The reporting periods will end December 31, March 31, June 30 and September 30. The information required by SFMTA shall include the following: a description of the work completed during the period; tasks expected to be performed during the next period; major project milestones, changes to milestones, and reasons for the changes; and explanations of problems or delays encountered or anticipated. Financial reports will include a balance sheet for the Project and a Project expenditure statement by line item code.

**D. Recordkeeping.** Unless otherwise directed by SFMTA, MTC will maintain the original records of all procurements, payments and contract expenses in the form required by federal regulations and FTA grant requirements during the term of this Agreement, and for a period of three years thereafter. MTC will allow SFMTA to review and inspect said records during business hours to ensure compliance with such requirements, and to audit the books, records, and accounts of MTC and Cubic, if necessary. Upon request, MTC will provide SFMTA with copies of any records in its files relating to procurements and other expenditures using funding from the Project Grant. MTC agrees to extend these rights of review, inspection and audit to the Secretary of Transportation and the Comptroller General of the United States, or their authorized representatives.

**E. Audit.** MTC will provide thorough and complete accounting for all funds expended in the performance of the Project to the extent that such funds are provided by SFMTA through the Grants or local matching funds, consistent with 49 C.F.R. Section 18.37(b). MTC will be responsible for meeting audit requirements of the "Single Audit Act of 1984" as implemented by OMB Circular A-133, as it may be revised from time to time. MTC shall submit one (1) copy of its audit completed in accordance with the above-described single audit requirements within 30 days of completion of its annual audit.

**F. Disallowance.** MTC agrees that if it claims or receives payment of Grant funds from City for an expense, payment or reimbursement of which is later disallowed by the federal government, MTC will promptly refund the disallowed amount to City upon City's request. At its option, City may offset all or any portion of the disallowed amount against any other payment due to MTC hereunder. Any such offset with respect to a portion of the disallowed amount will not release MTC from its obligation under this section to refund the remainder of the disallowed amount. This section shall not apply to Cubic invoices that have been pre-approved by SFMTA pursuant to Section IV.D. of this Agreement.

**G. MTC Staff.** A list of key MTC staff that will be assigned to the Project, along with their responsibilities, is provided in Exhibit B. MTC will notify SFMTA in writing of any changes to assigned personnel.

**H. Enforcing Contract Provisions of Clipper<sup>®</sup> Contract.** MTC agrees to take all reasonable steps to enforce the terms of the Clipper<sup>®</sup> Contract with respect to the work to be performed on the Project, including the default provisions, if necessary; provided, however that SFMTA as Construction Manager shall notify MTC promptly once it becomes aware of any deficient performance of work by Cubic on the Project.

## **VI. CERTIFICATION; APPROPRIATION OF FUNDS**

**A. Risk of Non-Appropriation of Grant Funds.** This Agreement is subject to the budget and fiscal provisions of the federal government and the City Charter. City will have no obligation to make appropriations for this Agreement should the federal government fail to appropriate the Grant funds. MTC also acknowledges that City budget decisions are subject to the discretion of its Mayor and Board of Supervisors. Notwithstanding the foregoing, it is understood and agreed that the Grant set forth in Exhibit A is available for expenditure (as

indicated on Exhibit A). With respect to these grants, the SFMTA agrees to issue a notice to proceed to MTC prior to MTC incurring costs to be reimbursed by the grants.

**B. Certification of Controller; Guaranteed Maximum Costs.** No funds will be available under this Agreement until prior written authorization certified by the Controller. SFMTA agrees to issue a written notice to proceed to MTC upon certification by the Controller of any and all funds from the Project Grant. Notices to proceed shall be issued as funds are certified by the Controller and shall specify the grants and funds that have been certified. In addition, as set forth in Section 21.10-1 of the San Francisco Administrative Code:

1. City's obligations hereunder will not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification.

2. Except as may be provided by City ordinances governing emergency conditions, City and its employees and officers are not authorized to request MTC to perform services or to provide materials, equipment and supplies that would result in MTC performing services or providing materials, equipment and supplies that are beyond the scope of the services, materials, equipment and supplies specified in this Agreement unless this Agreement is amended in writing and approved as required by law to authorize the additional services, materials, equipment or supplies. City is not required to pay MTC for services, materials, equipment or supplies that are provided by MTC which are beyond the scope of the services, materials, equipment and supplies agreed upon herein and which were not approved by a written amendment to this Agreement having been lawfully executed by City.

3. City and its employees and officers are not authorized to offer or promise to MTC additional funding for this Agreement which would exceed the maximum amount of funding provided for herein. Additional funding for this Agreement in excess of the maximum provided herein will require lawful approval and certification by the Controller. City is not required to honor any offered or promised additional funding which exceeds the maximum provided in this Agreement which requires lawful approval and certification of the Controller when the lawful approval and certification by the Controller has not been obtained.

4. The Controller is not authorized to make payments on any agreement for which funds have not been certified as available in the budget or by supplemental appropriation.

**C. Automatic Termination for Non-appropriation of Funds.** This Agreement will automatically terminate, without penalty, liability or expense of any kind to City, at the end of any federal fiscal year if funds are not appropriated for the next succeeding federal fiscal year. If funds are appropriated for a portion of any federal fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind to City, at the end of such portion of the federal fiscal year. Notwithstanding the foregoing, SFMTA agrees to reimburse MTC for costs incurred prior to or as a result of such termination, including but not limited to, Cubic costs incurred in accordance with the "Termination for Convenience" provisions in the Clipper<sup>®</sup> Contract and related MTC internal expenses.

## **VII. INDEMNIFICATION**

**A. Mutual Indemnification.** MTC shall defend, release, hold harmless and indemnify City, and their respective officers and employees from any and all claims which arise out of the negligent acts or omissions of MTC, its officers and/or employees in the performance of its activities under this Agreement. It is further agreed that City shall defend, release, hold harmless and indemnify MTC and its respective Commissioners and employees from any and all claims which arise out of the negligent acts or omissions of City, its officers and employees in the performance of its activities under this Agreement. In the event of concurrent negligence of MTC, its Commissioners and employees, and/or City, its officers and employees, the liability for

any and all claims shall be apportioned under the California theory of comparative negligence as presently established or as may hereafter be modified.

**B. Limitation On Liability Of City and MTC.** IN NO EVENT WILL CITY OR MTC BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, THE PROJECT GRANT, OR ANY ACTIVITIES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

## VIII. EVENTS OF DEFAULT

**A. General.** The occurrence of any one or more of the following events will constitute an "Event of Default" under this Agreement:

**1. False Statement.** Any statement, representation or warranty contained in this Agreement, or in any other document submitted by MTC to City under this Agreement is found by City to be false or misleading.

**2. Failure to Comply with Applicable Laws.** MTC fails to perform or breaches any federal, state or local law or regulation applicable to this Agreement, and such failure or breach continues for a period of 15 days after the defaulting party's receipt of written notice of such failure or breach or, if the failure or breach cannot be cured within such 15-day period, such longer period as is necessary to cure the failure or breach so long as the defaulting party commences the cure within such 15-day period and diligently prosecutes such cure to completion.

**3. Failure to Perform Other Covenants.** MTC fails to perform or breaches any other agreement or covenant of this Agreement to be performed or observed by MTC, as applicable, as and when performance or observance is due and such failure or breach continues for a period of 30 days after the defaulting party's receipt of written notice of such failure or breach or, if the failure or breach cannot be cured within such 30-day period, such longer period as is necessary to cure the failure or breach so long as the defaulting party commences the cure within such 30-day period and diligently prosecutes such cure to completion.

**4. Voluntary Insolvency.** MTC, as applicable, (i) is generally not paying its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of MTC, as applicable, or of any substantial part of MTC's property or (v) takes action for the purpose of any of the foregoing.

**5. Involuntary Insolvency.** Without consent by MTC, as applicable, a court or government authority enters an order, and such order is not vacated within ten (10) days, (i) appointing a custodian, receiver, trustee or other officer with similar powers with respect to MTC, as applicable, or with respect to any substantial part of MTC's property, (ii) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (iii) ordering the dissolution, winding-up or liquidation of MTC.

**B. City Remedies Upon Event of Default.** Upon and during the continuance of an Event of Default, City may do any of the following, individually or in combination with any other remedy:

**1. Termination.** City may terminate this Agreement by giving a written termination notice to MTC, and, on the date specified in such notice, this Agreement will terminate and all rights of MTC hereunder will be extinguished. In the event of such termination, and subject to sections 2, 3 and 4 below, MTC will be paid or credited for eligible expenses relating to the Project that were incurred by MTC prior to the date of such termination specified in such notice.

**2. Withholding of Project Grant Funds.** City may withhold all or any portion of Project Grant funds not yet disbursed, regardless of whether MTC has previously submitted a request for such funds or whether City has approved the disbursement of the Grant funds under a prior request for such funds. Any Grant funds withheld pursuant to this Section and subsequently disbursed to MTC after cure of applicable Events of Default will be disbursed without interest.

**3. Return of Project Grant Funds.** City may demand the immediate return of any previously disbursed Project Grant funds that have been claimed or expended by MTC in breach of the terms of this Agreement, together with interest thereon from the date of disbursement at the maximum rate permitted under applicable law.

**4. Remedies Nonexclusive.** Each of the remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The remedies contained herein are in addition to all other remedies available to City at law or in equity by statute or otherwise and the exercise of any such remedy will not preclude or in any way be deemed to waive any other remedy.

**C. MTC Remedies.** Each of the remedies provided for MTC in this Agreement may be exercised individually or in combination with any other remedy available to MTC hereunder or under applicable laws, rules, and regulations. The remedies contained herein are in addition to all other remedies available to MTC under the law or in equity by statute or otherwise, and the exercise of any such remedy will not preclude or in any way be deemed to waive any other remedy.

## **IX. NOTICES TO THE PARTIES**

Unless otherwise indicated elsewhere in this Agreement, all written communications sent by the parties may be by U.S. mail, e-mail or by fax, and will be addressed as follows:

To City: San Francisco Municipal Transportation Agency  
One South Van Ness Avenue, 8th floor  
San Francisco, CA 94103  
Attn: Monique Webster  
monique.webster@sfmta.com  
fax: (415) 701-4336

with a copy to: San Francisco Municipal Transportation Agency  
821 Howard Street, 2<sup>nd</sup> Floor  
San Francisco, CA 94103  
Attn: Albert Hoe  
albert.hoe@sfmta.com

To MTC: Metropolitan Transportation Commission  
101 8th Street  
Oakland, CA 94607-4700  
Attn: Brian Gebhardt  
bgebhardt@mtc.ca.gov

Any notice of default must be sent by registered mail.

## **X. OTHER CONDITIONS**

**A. No Assignment by MTC.** MTC will not, either directly or indirectly, assign, transfer, hypothecate, subcontract or delegate all or any portion of this Agreement or any rights, duties or obligations of MTC hereunder without the prior written consent of City. This Agreement will not, nor will any interest herein, be assignable as to the interest of MTC involuntarily or by operation of law without the prior written consent of City. A change of ownership or control of MTC or a sale or transfer of substantially all of the assets of MTC will be deemed an assignment for purposes of this Agreement. **Any agreement made in violation of this Section will confer no rights on any person or entity and will automatically be null and void.**

**B. Sunshine Ordinance.** MTC acknowledges and agrees that this Agreement is subject to Section 67.24(e) of the San Francisco Administrative Code, which provides that contracts, including this Agreement, grantee's bids, responses to Requests for Proposals and all other records of communications between City and persons or entities seeking contracts, will be open to inspection immediately after a contract has been awarded. Nothing in such Section 67.24(e) (as it exists on the date hereof) requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. All information provided by MTC that is covered by such Section 67.24(e) (as it may be amended from time to time) will be made available to the public upon request.

**C. Modifications.** This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in as required under law.

**D. Submitting False Claims; Monetary Penalties.** MTC acknowledges and agrees that it is subject to San Francisco Administrative Code Section 21.35. Under such Section 21.35, any contractor, subgrantee or consultant who submits a false claim will be liable to City for three times the amount of damages which City sustains because of the false claim. A contractor, subgrantee or consultant who submits a false claim will also be liable to City for the costs, including attorney's fees, of a civil action brought to recover any of those penalties or damages, and may be liable to City for a civil penalty of up to ten thousand dollars (\$10,000) for each false claim. A contractor, subgrantee or consultant will be deemed to have submitted a false claim to City if the contractor, subgrantee or consultant: (a) knowingly presents or causes to be presented to an officer or employee of City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by City; (c) conspires to defraud City by getting a false claim allowed or paid by City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to City; or (e) is a beneficiary of an inadvertent submission of a false claim to City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to City within a reasonable time after discovery of the false claim. The parties acknowledge and agree that MTC will not be responsible for penalties or damages resulting from a false claim submitted by a contractor as defined in Recital F of this Agreement provided that MTC has made this provision applicable to such contractor.

**E. Independent Contractor.** MTC will be deemed at all times to be an independent contractor and is solely responsible for the manner in which MTC uses the Grant funds. MTC will at all times remain solely liable for the acts and omissions of MTC, its officers and directors,

employees and agents. Nothing in this Agreement will be construed as creating a partnership, joint venture, employment or agency relationship among City and MTC.

**F. Conflict of Interest.** Through its execution of this Agreement, MTC acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of the City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.

**G. Eligibility to Receive Federal Funds.** By executing this Agreement, MTC certifies that it is not suspended, debarred or otherwise excluded from participation in federal assistance programs. MTC acknowledges that this certification of eligibility to receive federal funds is a material term of the Agreement.

**H. MacBride Principles--Northern Ireland.** Pursuant to San Francisco Administrative Code Section 12F.5, City urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. City urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of MTC acknowledges and agrees that he or she has read and understood this section

**I. Tropical Hardwood and Virgin Redwood Ban.** Pursuant to Section 804(b) of the San Francisco Environment Code, City urges all grantees not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

**J. Drug-Free Workplace Policy.** MTC acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. MTC and its employees, agents or assigns will comply with all terms and provisions of such Act and the rules and regulations promulgated under such Act.

**K. Resource Conservation; Liquidated Damages.** Chapter 5 of the San Francisco Environment Code (Resource Conservation) is incorporated herein by reference. Failure by MTC to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract. The requirements of Chapter 5 applicable to this Agreement are the requirements under Section 506(h) that any bid, report, proposal, quotation or other document prepared in connection with this Agreement must be submitted on recycled paper and printed on double sided pages to the maximum extent possible.

**L. Compliance with ADA.** MTC acknowledges that, pursuant to the ADA, programs, services and other activities provided by a public entity to the public, whether directly or through a grantee or contractor, must be accessible to the disabled public. MTC will not discriminate against any person protected under the ADA in connection with all or any portion of the Project and will comply at all times with the applicable provisions of the ADA.

**M. No Waiver.** No waiver by MTC, the SFMTA or City of any default or breach of this Agreement will be implied from any failure by MTC, the SFMTA or City to take action on account of such default if such default persists or is repeated. No express waiver by MTC, the SFMTA or City will affect any default other than the default specified in the waiver and will be operative only for the time and to the extent therein stated. Waivers by MTC, City or the SFMTA of any covenant, term or condition contained herein will not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent or approval by MTC, the SFMTA or City of any action requiring further consent or approval will not be deemed to waive or render unnecessary the consent or approval to or of any subsequent similar act.

**N. Disputes.** In the event there is a dispute concerning the interpretation of this Agreement or any aspect of the Project that the MTC Project Manager and the SFMTA Project Manager are unable to resolve, either the MTC or SFMTA Project Manager may request that an ad hoc Dispute Resolution Committee (“DRC”) be convened to resolve the dispute. The DRC shall consist of two members, one appointed by the MTC Executive Director and the other appointed by the Director of Transportation of the SFMTA. The responsibility of chairing each ad hoc DRC shall alternate between the agencies, beginning with MTC.

Further, disputes between MTC and SFMTA that cannot be resolved by the DRC may be submitted to alternative dispute resolution, as agreed to by the parties. Fees and expenses of the mediator will be borne equally.

**O. Governing Law; Venue.** The formation, interpretation and performance of this Agreement will be governed by the laws of the State of California, without regard to its conflict of laws principles. Venue for all litigation relative to the formation, interpretation and performance of this Agreement will be in San Francisco.

**P. Headings.** All article and section headings and captions contained in this Agreement are for reference only and will not be considered in construing this Agreement.

**Q. Entire Agreement.** This Agreement sets forth the entire Agreement between the parties and supersedes all other oral or written provisions.

**R. Severability.** Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Agreement will not be affected or impaired thereby, and (b) such provision will be enforced to the maximum extent possible so as to effect the intent of the parties and will be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

**S. Successors; No Third-Party Beneficiaries.** The terms of this Agreement will be binding upon, and inure to the benefit of, the parties hereto and their successors and assigns. Nothing in this Agreement, whether express or implied, will be construed to give any person or entity (other than the parties hereto and their respective successors and assigns) any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

**T. Survival of Terms.** The obligations of the parties and the terms of the following provisions of this Agreement will survive and continue following expiration or termination of this Agreement: Sections IV.A-B, V.A, V.B.2-3, V.D-F, V.G, VI, VII, VIII.B-C, X.C-E, X.O-R, X.T.

**U. Further Assurances.** From and after the date of this Agreement, MTC agrees to do such things, perform such acts, and make, execute, acknowledge and deliver such documents as may be reasonably necessary or proper and usual to complete the transactions contemplated by this Agreement and to carry out the purpose of this Agreement in accordance with this Agreement.

This Grant and Cooperative Agreement has been executed as of the date first noted above.

**CITY AND COUNTY OF SAN FRANCISCO  
MUNICIPAL TRANSPORTATION  
AGENCY**

**METROPOLITAN  
TRANSPORTATION  
COMMISSION**

By: \_\_\_\_\_  
Edward D. Reiskin.  
Director of Transportation

By: \_\_\_\_\_  
Steve Heminger  
Executive Director

APPROVED AS TO FORM:

APPROVED AS TO FORM:

DENNIS J. HERRERA  
CITY ATTORNEY

By: \_\_\_\_\_  
Robin M. Reitzes  
Deputy City Attorney

By: \_\_\_\_\_  
Brooke Abola  
MTC Legal Counsel

Municipal Transportation Agency  
Board of Directors  
Resolution No.  
Dated:

Attest:

\_\_\_\_\_  
Secretary, SFMTA Board



**EXHIBIT A**

<b>Funding Source</b>	<b>TOTAL</b>	
<b>Federal Funding</b>		
<i>FTA Grant 5309 New Starts</i>	<i>\$4,100,000</i>	
<b><i>Subtotal Federal Funds</i></b>		<b><i>\$4,100,000</i></b>
<b>TOTAL</b>		<b>\$4,100,000</b>

**EXHIBIT B  
KEY STAFF ASSIGNMENTS**

Agency	Staff	Role	Responsibilities
SFMTA	Albert Hoe	Deputy Program Manager	<ul style="list-style-type: none"> <li>• Provides overall project management for all elements of the project scope</li> <li>• Leads day-to-day communications with all parties</li> <li>• Directs Cubic activities</li> <li>• Ensures that all Cubic work is in compliance with the scope of work for the Clipper® Contract</li> <li>• Reviews and approves invoices</li> <li>• Manages schedule</li> </ul>
SFMTA	Vivian Chow	Project Controls Project Manager	<ul style="list-style-type: none"> <li>• Ensures compliance with all requirements of the project funding</li> <li>• Provides information and advice to MTC on funding issues</li> </ul>
SFMTA	Sanford Pong	Design Oversight Project Manager	<ul style="list-style-type: none"> <li>• Engineering support for equipment procurement and site preparation work</li> <li>• Review and approve Cubic submittals</li> <li>• Ensures that all Cubic work is in compliance with the scope of work for the Clipper® contract</li> </ul>
SFMTA	Richard Redmond	Project Construction Program Manager	<ul style="list-style-type: none"> <li>• Construction management services for SFMTA Central Subway Program</li> </ul>
MTC	TBD	MTC Project Manager	<ul style="list-style-type: none"> <li>• MTC staff management</li> <li>• Invoice review</li> <li>• Coordinate with SFMTA Project and Grants Manager</li> <li>• Prepare change order for Cubic</li> <li>• Support MTC contracts management</li> <li>• Support SFMTA Project Manager with ensuring activities are performed in compliance with the Clipper® Contract</li> </ul>
MTC	Suzanne Bode	MTC Finance	<ul style="list-style-type: none"> <li>• Finance and billing support</li> <li>• Change order review and approval</li> </ul>

**EXHIBIT C  
PAYMENT SCHEDULE**

<b>Milestone No.</b>	<b>Payment Milestone</b>	<b>Payment Amount</b>	<b>Sales Tax</b>	<b>Total</b>	<b>Major Requirements</b>
1	Approval of Baseline Schedule	\$150,328.00	\$0.00	<b>\$150,328.00</b>	MTC approval of the Baseline Schedule; submittal of Bond and insurance; coordination with SFMTA; SFMTA review of submittals ; submission of quality assurance/quality control program plan.
2	Completion of IIIT	\$193,741.27	\$1,629.00	<b>\$195,370.27</b>	Submission of existing, approved equipment submittals , technical specifications, equipment requirements for SFMTA review, Bill of Materials, technical requirements for SFMTA ; MTC approval of IIIT Test Report.
3	Delivery of Equipment	\$746,513.93	\$67,186.25	<b>\$813,700.18</b>	Deliver equipment to SFMTA designated facility; provide delivery of equipment base plates and mounting brackets to SFMTA for site preparation not less than eight months after NTP, the delivery date having been requested by SFMTA at least 30 days prior to delivery; provide installation requirements to SFMTA; provide Network Infrastructure Plans showing the equipment locations including orientation with dimensions to be used by SFMTA for equipment baseplate and mounting bracket installation.
4	Delivery of spares	\$200,992.00	\$18,089.28	<b>\$219,081.28</b>	Delivery of spare parts to Cubic's location and to SFMTA. Spares may be delivered at different times. Payment will be made for spares after they are delivered to SFMTA or Cubic and accepted by SFMTA.

<b>Milestone No.</b>	<b>Payment Milestone</b>	<b>Payment Amount</b>	<b>Sales Tax</b>	<b>Total</b>	<b>Major Requirements</b>
5	Completion of IIT for Union Square/Market Street Stations	\$640,373.36	\$57,633.60	<b>\$698,006.96</b>	Installation of equipment, IIT testing of the equipment and MTC approval of IIT Test Report for specified location; provide oversight of equipment baseplate and mounting bracket installation by SFMTA; sign-off agreeing that the site preparation work is acceptable for Cubic equipment installation; coordinating work with MTC and SFMTA.
6	Completion of IIT for Chinatown Station	\$640,373.36	\$57,633.60	<b>\$698,006.96</b>	Installation of equipment, IIT testing of the equipment and MTC approval of IIT Test Report for specified location; provide oversight of equipment baseplate and mounting bracket installation by SFMTA; sign-off agreeing that the site preparation work is acceptable for Cubic equipment installation;; coordinating work with MTC and SFMTA.
7	Completion of IIT for Yerba Buena / Moscone Stations	\$640,373.36	\$57,633.60	<b>\$698,006.96</b>	Installation of equipment, IIT testing of the equipment and MTC approval of IIT Test Report for specified location; provide oversight of equipment baseplate and mounting bracket installation by SFMTA; sign-off agreeing that the site preparation work is acceptable for Cubic equipment installation; coordinating work with SFMTA and MTC.
8	Final Acceptance	\$78,006.28	\$0.00	<b>\$78,006.28</b>	Submittal of documentation of delivery and MTC Approval of all Documentation (including copies of existing operations manuals) ; completion of closeout punchlist items; completion of final system integration with existing SFMTA AFC system (IIT Testing), testing and providing final MTC approved test reports.
	<b>Total</b>	<b>\$3,290,701.56</b>	<b>\$259,805.33</b>	<b>\$3,550,506.89</b>	