

THIS PRINT COVERS CALENDAR ITEM NO.: 10.6

**MUNICIPAL TRANSPORTATION AGENCY
City and County of San Francisco**

DIVISION: Transit Services

BRIEF DESCRIPTION

Requesting authorization for the Director of Transportation to execute Contract No. SFMTA – 2013-30 Software and Equipment Maintenance Services Agreement for Automatic Vehicle Location System, with NextBus, Inc., in an amount not to exceed \$1,972,555 per year with an initial term of one year and the option for three additional one-year extensions.

SUMMARY:

- NextBus software and equipment allows the SFMTA to deliver real-time predictions to the SFMTA’s 700,000 daily passengers through 3-1-1, 5-1-1, on the internet, on smart phones, and at bus stops and subway stations.
- NextBus location information is also used extensively to manage and supervise the SFMTA’s fleet of over 1,000 vehicles.
- The current maintenance agreement expires July 31, 2013. The proposed maintenance agreement will provide services and equipment necessary to maintain the automatic vehicle location system (AVLS) to enable the SFMTA to continue to provide vehicle location and arrival prediction information.
- The funding for this project comes from SFMTA’s operating fund.

ENCLOSURES:

1. MTAB Resolution
2. Agreement

APPROVALS:

DATE

DIRECTOR _____

July 8, 2013

SECRETARY _____

July 8, 2013

ASSIGNED SFMTAB CALENDAR DATE: July 16, 2013

PURPOSE:

The Automatic Vehicle Location System (AVLS) is a fully automated vehicle location system that provides real-time transit management tools and real-time passenger information for SFMTA's 700,000 daily customers. The purpose of the Maintenance Services Agreement is to continue to maintain the AVLS in a state of good repair with system upgrades as technology evolves and as changes to SFMTA's operating environment are implemented.

GOAL:

This contract supports the following SFMTA Strategic Plan objectives:

- Goal 2: Make transit, walking, bicycling, taxi, ridesharing and carsharing the preferred means of travel
 - Objective 2.1: Improve customer service and communications
 - Objective 2.2: Improve transit performance
- Goal 3: Improve the environment and quality of life in San Francisco
 - Objective 3.4: Deliver services efficiently

DESCRIPTION:

In 2002, the City issued a Request for Proposals for a vendor to provide the SFMTA with an Automatic Vehicle Location System (AVLS) to track vehicles and provide real-time customer information that was awarded to NextBus Information Services, Inc. (known as NextBus, Inc.) under Contract Number MR-1138. By August 2009, NextBus had fulfilled implementation of the AVLS and the close-out agreement was finalized for the original agreement. As anticipated in the original agreement, SFMTA required on-going software and equipment maintenance services and training for the AVLS to ensure continued operations of the system. On August 4, 2009, NextBus, Inc. was awarded a two-year contract with two one-year extension options to provide on-going AVLS software and equipment maintenance services (Contract Number 2009/10-60). The current agreement expires on July 31, 2013 and as a result, a new agreement is necessary to ensure continued AVLS operations.

Scope of Work:

NextBus will provide the SFMTA with system support, software services, and equipment maintenance services to support operation of the SFMTA's AVLS for revenue and non-revenue vehicles. The contract covers maintenance and customer service support for all 1,000+ SFMTA vehicles, all 900+ on-street signs, push-to-talk speakers at bus shelters, subway LCD monitors, NextMuni.com, and servers enabling vehicle tracking and predictions. SFMTA is increasingly reliant on vehicle location information for service management, performance tracking, and customer information. The contract will also include software updates and spare equipment to ensure efficient operation and continuity of service.

The NextBus generated location and prediction information is used extensively internally and by customers and includes:

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- Tracking fleet movements and operators
- Managing and supervising buses and trains with increasing emphasis on the use of NextBus technology with Line Management Center (LMC)
- Detailed location information for complaint and accident follow up
- Providing predictions for:
 - On-street signs
 - Subway LCD monitors and station agent booths
 - 3-1-1
 - 5-1-1's website and phone number
 - Third party applications such as Muni+ and Routesy

SFMTA's AVLS Equipment, Software and Associated Professional Services Requirements

The AVLS is an Automatic Vehicle Location System based vehicle tracking and real-time information system. The Director of Transportation authorized staff to negotiate a sole-source contract because some AVLS hardware and all AVLS software are proprietary technology of NextBus, Inc. AVLS hardware and equipment must be regularly serviced, and the AVLS software and computer servers and related hardware must be maintained and periodically upgraded. During the term of this maintenance service contract, NextBus will supply those necessary services and continue to work with staff and provide training as needed to service on-vehicle components.

Cost

The current AVLS maintenance agreement with NextBus was for two base years with two one-year extensions, for a price of \$1,977,429 per year. SFMTA exercised all four years of that maintenance agreement.

Under the proposed maintenance agreement, the annual cost to will be \$1,972,555, slightly lower than the current contract. Nextbus initially quoted a price that was approximately five percent higher than the existing agreement, however the SFMTA was able to negotiate a lower cost.

ALTERNATIVES CONSIDERED:

NextBus is the vendor of the current AVLS. The AVLS is a proprietary system for which no other vendor can provide system hardware and software. With the radio replacement project underway however, additional alternatives will be available once the radio project goes live. At that time, staff will assess alternatives before continuing to contract with NextBus. As a result, the contract will only be for one base year with the option to exercise three additional one year options. Depending on when the radio project goes live and if feasible alternatives are found, exercising option years may not be necessary.

FUNDING IMPACT:

Funding for this project is coming from the SFMTA operating funds.

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OTHER APPROVALS RECEIVED OR STILL REQUIRED:

This contract was approved by the Civil Service Commission on May 6, 2013.

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

RECOMMENDATION:

Staff recommends that the SFMTA Board authorize the Director of Transportation to execute Contract No. SFMTA – 2013-30 Software and Equipment Maintenance Services Agreement for Automatic Vehicle Location System with NextBus, Inc. in an amount not to exceed \$1,972,555 per year with an initial term of one year and the option for three additional one-year extensions.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, The SFMTA contracted with Nextbus Information Services, Inc. (now called Nextbus, Inc.) (“Nextbus”) under Contract No. MR-1138, dated July 15, 2002, to provide the SFMTA an Automatic Vehicle Location System (“AVLS”) to provide real time vehicle location data and vehicle arrival predictions, and related on-board equipment, software, and passenger display signs; and

WHEREAS, The SFMTA’s acceptance of the AVLS was documented in the Final Modification of and Contract Closeout Agreement dated August 1, 2009; and

WHEREAS, SFMTA contracted with Nextbus, Inc. under, “Software and Equipment Maintenance Services Agreement,” Contract No. 2009/10-60, dated August 1, 2009, which agreement will expire on July 31, 2013 at a cost of \$1,977,429 per year; and

WHEREAS, The AVLS uses and requires proprietary software, equipment, web-based services and on-going maintenance services that are only available from Nextbus; and

WHEREAS, The SFMTA wishes to continue to obtain software, hardware, and related professional services for ongoing maintenance, operations, and improvement of the SFMTA’s Automatic Vehicle Location System (“AVLS”) to maintain the AVLS in a good state of repair, current with system upgrades as technology evolves and as changes to SFMTA’s operating environment are implemented; and,

WHEREAS, The SFMTA has committed to support the Metropolitan Transportation Commission's regional 511 real-time transit information system and provide prediction information to the public; and,

WHEREAS, The proposed contract will assist SFMTA in meeting the goals and objectives of the agency’s Strategic Plan: to improve customer service and communications, improve transit performance, and deliver services efficiently; and,

RESOLVED, That the SFMTA Board of Directors authorizes the Director of Transportation to execute Contract No. SFMTA 2013-30, Software and Equipment Maintenance Services Agreement for Automatic Vehicle Location System, with NextBus, Inc., for an amount not to exceed \$1,972,555 per year with an initial term of one year and the option for three additional one-year extensions.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of July 16, 2013.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

Agreement between the City and County of San Francisco and NextBus, Inc.
for Software and Equipment Maintenance Services
for the San Francisco Municipal Transportation Agency's
Automatic Vehicle Location System
Contract No. SFMTA 2013-30

**City and County of San Francisco
Municipal Transportation Agency
One South Van Ness Ave. 7th floor
San Francisco, California 94103**

**Agreement between the City and County of San Francisco and
NextBus, Inc.
for Software and Equipment Maintenance Services for the SFMTA's Automatic Vehicle
Location System (AVLS)**

Contract No. SFMTA-2013-30

This Agreement is made this first day of August, 2013, in the City and County of San Francisco, State of California, by and between: NextBus, Inc., 5900 Hollis Street, Suite X, Emeryville, CA 94608, ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Municipal Transportation Agency ("SFMTA").

Recitals

A. The SFMTA wishes to procure the services of a vendor to provide the SFMTA with system support, software services, and equipment maintenance services to support operation of the SFMTA's AVLS for revenue and non-revenue fleets. The contract covers maintenance and customer service support for all 1,000+ SFMTA vehicles, all 900+ on-street signs, push-to-talk speakers at bus shelters, subway LCD monitors, NextMuni.com, and servers enabling vehicle tracking and predictions. SFMTA is increasingly reliant on vehicle location information for service management, performance tracking, and customer information. The contract will also include software updates and spare equipment to ensure efficient operation and continuity of service.

B. Contractor represents and warrants that it is qualified to perform the services required by City as described in this contract.

C. Approval for this Agreement was obtained when the Civil Service Commission approved Contract number 4113-12/13 on May 6, 2013.

Now, THEREFORE, the parties agree as follows:

1. Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation. This Agreement is subject to the budget and fiscal provisions of the City's Charter. Charges will accrue only after prior written authorization certified by the Controller, and the amount of City's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization. This Agreement will terminate without penalty, liability or expense of any kind to City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated. City has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. Contractor's assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.

2. Term of the Agreement. Subject to Section 1, the term of this Agreement shall be from August 1, 2013 to July 31, 2017.

3. Effective Date of Agreement. The Effective Date of this agreement shall be the date when the Controller has certified to the availability of funds and Contractor has been notified in writing.

4. Services Contractor Agrees to Perform. The Contractor agrees to perform the services provided for in Appendix A, "Description of Services," attached hereto and incorporated by reference as though fully set forth herein.

5. Compensation. Compensation shall be made in quarterly payments on or before the fifteenth day after the conclusion of the previous quarter of work, as set forth in Section 4 of this Agreement, that the SFMTA's Director of Transportation, in his or her sole discretion, concludes has been performed as of the last day of the immediately preceding quarter. In no event shall the amount of this Agreement exceed seven million eight hundred ninety thousand and two hundred twenty dollars (\$7,890,220). The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by SFMTA as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall City be liable for interest or late charges for any late payments.

The Controller is not authorized to pay invoices submitted by Contractor prior to Contractor's submission of HRC Progress Payment Form. If Progress Payment Form is not submitted with Contractor's invoice, the Controller will notify the SFMTA, the Director of HRC and Contractor of the omission. If Contractor's failure to provide HRC Progress Payment Form is not explained to the Controller's satisfaction, the Controller will withhold 20% of the payment due pursuant to that invoice until HRC Progress Payment Form is provided. Following City's payment of an invoice, Contractor has ten days to file an affidavit using HRC Payment Affidavit verifying that all subcontractors have been paid and specifying the amount.

6. Guaranteed Maximum Costs. The City's obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification. Except as may be provided by laws governing emergency procedures, officers and employees of the City are not authorized to request, and the City is not required to reimburse the Contractor for, Commodities or Services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law. Officers and employees of the City are not authorized to offer or promise, nor is the City required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the Controller. The Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

7. Payment; Invoice Format. Invoices furnished by Contractor under this Agreement must be in a form acceptable to the Controller, and must include a unique invoice number. All amounts paid by City to Contractor shall be subject to audit by City. Payment shall be made by City to Contractor at the address specified in the section entitled "Notices to the Parties."

8. Submitting False Claims; Monetary Penalties. Pursuant to San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. The text of Section 21.35, along with the entire San Francisco Administrative Code, is available on the web at <http://www.amlegal.com/nxt/gateway.dll/California/administrative/administrativecode?f=templat>

[es\\$fn=default.htm\\$3.0\\$vid=amlegal:sanfrancisco_ca\\$sync=1](#). A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the 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 the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the 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 the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

9. Disallowance. If Contractor claims or receives payment from City for a service, reimbursement for which is later disallowed by the State of California or United States Government, Contractor shall promptly refund the disallowed amount to City upon City's request. At its option, City may offset the amount disallowed from any payment due or to become due to Contractor under this Agreement or any other Agreement. By executing this Agreement, Contractor certifies that Contractor is not suspended, debarred or otherwise excluded from participation in federal assistance programs. Contractor acknowledges that this certification of eligibility to receive federal funds is a material terms of the Agreement.

10. Taxes. Payment of any taxes, including possessory interest taxes and California sales and use taxes, levied upon or as a result of this Agreement, or the services delivered pursuant hereto, shall be the obligation of Contractor. Contractor recognizes and understands that this Agreement may create a "possessory interest" for property tax purposes. Generally, such a possessory interest is not created unless the Agreement entitles the Contractor to possession, occupancy, or use of City property for private gain. If such a possessory interest is created, then the following shall apply:

(1) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that Contractor, and any permitted successors and assigns, may be subject to real property tax assessments on the possessory interest;

(2) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that the creation, extension, renewal, or assignment of this Agreement may result in a "change in ownership" for purposes of real property taxes, and therefore may result in a revaluation of any possessory interest created by this Agreement. Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report on behalf of the City to the County Assessor the information required by Revenue and Taxation Code section 480.5, as amended from time to time, and any successor provision.

(3) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that other events also may cause a change of ownership of the possessory interest and result in the revaluation of the possessory interest (see, e.g., Revenue & Taxation Code Section 64, as amended from time to time). Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report any change in ownership to the County Assessor, the State Board of Equalization or other public agency as required by law.

(4) Contractor further agrees to provide such other information as may be requested by the City to enable the City to comply with any reporting requirements for possessory interests that are imposed by applicable law.

11. Payment Does Not Imply Acceptance of Work. The granting of any payment by City, or the receipt thereof by Contractor, shall in no way lessen the liability of Contractor to replace unsatisfactory work, equipment, or materials, although the unsatisfactory character of such work, equipment or materials may not have been apparent or detected at the time such payment was made. Materials, equipment, components, or workmanship that do not conform to the requirements of this Agreement may be rejected by City and in such case must be replaced by Contractor without delay.

12. Qualified Personnel. Work under this Agreement shall be performed only by competent personnel under the supervision of and in the employment of Contractor. Contractor will comply with City's reasonable requests regarding assignment of personnel, but all personnel, including those assigned at City's request, must be supervised by Contractor. Contractor shall commit adequate resources to complete the project within the project schedule specified in this Agreement.

13. Responsibility for Equipment. City shall not be responsible for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Contractor, or by any of its employees, even though such equipment be furnished, rented or loaned to Contractor by City.

14. Independent Contractor; Payment of Taxes and Other Expenses

a. Independent Contractor. Contractor or any agent or employee of Contractor shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by City under this Agreement. Contractor or any agent or employee of Contractor shall not have employee status with City, nor be entitled to participate in any plans, arrangements, or distributions by City pertaining to or in connection with any retirement, health or other benefits that City may offer its employees. Contractor or any agent or employee of Contractor is liable for the acts and omissions of itself, its employees and its agents. Contractor shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to Contractor's performing services and work, or any agent or employee of Contractor providing same. Nothing in this Agreement shall be construed as creating an employment or agency relationship between City and Contractor or any agent or employee of Contractor. Any terms in this Agreement referring to direction from City shall be construed as providing for direction as to policy and the result of Contractor's work only, and not as to the means by which such a result is obtained. City does not retain the right to control the means or the method by which Contractor performs work under this Agreement.

b. Payment of Taxes and Other Expenses. Should City, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Contractor is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Contractor which can be applied against this liability). City shall then forward those amounts to the relevant taxing authority. Should a relevant taxing authority determine a liability for past services performed by Contractor for City, upon notification of such fact by City, Contractor shall promptly remit such amount due or arrange with City to have the amount due withheld from future payments to Contractor under this Agreement (again, offsetting any amounts already paid by Contractor which can be applied as a

credit against such liability). A determination of employment status pursuant to the preceding two paragraphs shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, Contractor shall not be considered an employee of City. Notwithstanding the foregoing, should any court, arbitrator, or administrative authority determine that Contractor is an employee for any other purpose, then Contractor agrees to a reduction in City's financial liability so that City's total expenses under this Agreement are not greater than they would have been had the court, arbitrator, or administrative authority determined that Contractor was not an employee.

15. Insurance

a. Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

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

(2) 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

(3) 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.

(4) Professional liability insurance, applicable to Contractor'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.

b. Commercial General Liability and Commercial Automobile Liability Insurance policies must be endorsed to provide:

(1) Name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

(2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

c. Regarding Workers' Compensation, Contractor hereby agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Contractor, its employees, agents and subcontractors.

d. All policies shall provide thirty days' advance written notice to the City of reduction or nonrenewal of coverages or cancellation of coverages for any reason. Notices shall be sent to the City address in the "Notices to the Parties" section.

e. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

f. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

g. Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

h. Before commencing any operations under this Agreement, Contractor shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

i. Approval of the insurance by City shall not relieve or decrease the liability of Contractor hereunder.

j. If a subcontractor will be used to complete any portion of this agreement, the Contractor shall ensure that the subcontractor shall provide all necessary insurance and shall name the City and County of San Francisco, its officers, agents and employees and the Contractor listed as additional insureds.

16. Indemnification. Contractor shall indemnify and save harmless City and its officers, agents and employees from, and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims thereof for injury to or death of a person, including employees of Contractor or loss of or damage to property, arising directly or indirectly from Contractor's performance of this Agreement, including, but not limited to, Contractor's use of facilities or equipment provided by City or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on City, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of City and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors or either's agent or employee. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any claims against the City. In

addition to Contractor's obligation to indemnify City, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend City from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Contractor by City and continues at all times thereafter. Contractor shall indemnify and hold City harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons in consequence of the use by City, or any of its officers or agents, of articles or services to be supplied in the performance of this Agreement.

17. Incidental and Consequential Damages. Contractor shall be responsible for incidental and consequential damages resulting in whole or in part from Contractor's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights that City may have under applicable law.

18. Liability of City. CITY'S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR IN SECTION 5 OF THIS AGREEMENT. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IN NO EVENT SHALL CITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

19. Liquidated Damages. By entering into this Agreement, Contractor agrees that in the event the Services, as provided under Section 4 herein, are delayed beyond the scheduled milestones and timelines as provided in Appendix A, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees to the liquidated damages outlined in Appendix A, Section 4 for each specified time period of delay beyond scheduled milestones and timelines is not a penalty, but is a reasonable estimate of the loss that City will incur based on the delay, established in light of the circumstances existing at the time this contract was awarded. City may deduct a sum representing the liquidated damages from any money due to Contractor. Such deductions shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Contractor's failure to deliver to City within the time fixed or such extensions of time permitted in writing by Purchasing.

20. Default; Remedies. Each of the following shall constitute an event of default ("Event of Default") under this Agreement:

(1) Contractor fails or refuses to perform or observe any term, covenant or condition contained in any of the following Sections of this Agreement:

8. Submitting False Claims; 10. Taxes; 15. Insurance; 24. Proprietary or Confidential Information of City; 30. Assignment; 37. Drug-Free Workplace Policy; 53. Compliance with Laws; and 57. Protection of Private Information.

(2) Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, and such default continues for a period of ten days after written notice thereof from City to Contractor.

(3) Contractor (a) is generally not paying its debts as they become due, (b) 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, (c) makes an assignment for the benefit of its creditors, (d) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Contractor or of any substantial part of Contractor's property or (e) takes action for the purpose of any of the foregoing.

(4) A court or government authority enters an order (a) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Contractor or with respect to any substantial part of Contractor's property, (b) 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 (c) ordering the dissolution, winding-up or liquidation of Contractor.

On and after any Event of Default, City shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, City shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any Event of Default; Contractor shall pay to City on demand all costs and expenses incurred by City in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. City shall have the right to offset from any amounts due to Contractor under this Agreement or any other agreement between City and Contractor all damages, losses, costs or expenses incurred by City as a result of such Event of Default and any liquidated damages due from Contractor pursuant to the terms of this Agreement or any other agreement. All 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 exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

21. Termination for Convenience

a. City shall have the option, in its sole discretion, to terminate this Agreement, at any time during the term hereof, for convenience and without cause. City shall exercise this option by giving Contractor written notice of termination, no less than 90 days prior to the Effective Date. The notice shall specify the date on which termination shall become effective.

b. Upon receipt of the notice, Contractor shall commence and perform, with diligence, all actions necessary on the part of Contractor to effect the termination of this Agreement on the date specified by City and to minimize the liability of Contractor and City to third parties as a result of termination. All such actions shall be subject to the prior approval of City. Such actions shall include, without limitation:

(1) Halting the performance of all services and other work under this Agreement on the date(s) and in the manner specified by City.

(2) Not placing any further orders or subcontracts for materials, services, equipment or other items.

(3) Terminating all existing orders and subcontracts.

(4) At City's direction, assigning to City any or all of Contractor's right, title, and interest under the orders and subcontracts terminated. Upon such assignment, City shall have the right, in its sole discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.

(5) Subject to City's approval, settling all outstanding liabilities and all claims arising out of the termination of orders and subcontracts.

(6) Completing performance of any services or work that City designates to be completed prior to the date of termination specified by City.

(7) Taking such action as may be necessary, or as the City may direct, for the protection and preservation of any property related to this Agreement which is in the possession of Contractor and in which City has or may acquire an interest.

c. Within 30 days after the specified termination date, Contractor shall submit to City an invoice, which shall set forth each of the following as a separate line item:

(1) The reasonable cost to Contractor, without profit, for all services and other work City directed Contractor to perform prior to the specified termination date, for which services or work City has not already tendered payment. Reasonable costs may include a reasonable allowance for actual overhead, not to exceed a total of 10% of Contractor's direct costs for services or other work. Any overhead allowance shall be separately itemized. Contractor may also recover the reasonable cost of preparing the invoice.

(2) A reasonable allowance for profit on the cost of the services and other work described in the immediately preceding subsection (1), provided that Contractor can establish, to the satisfaction of City, that Contractor would have made a profit had all services and other work under this Agreement been completed, and provided further, that the profit allowed shall in no event exceed 5% of such cost.

(3) The reasonable cost to Contractor of handling material or equipment returned to the vendor, delivered to the City or otherwise disposed of as directed by the City.

(4) A deduction for the cost of materials to be retained by Contractor, amounts realized from the sale of materials and not otherwise recovered by or credited to City, and any other appropriate credits to City against the cost of the services or other work.

d. In no event shall City be liable for costs incurred by Contractor or any of its subcontractors after the termination date specified by City, except for those costs specifically enumerated and described in the immediately preceding subsection (c). Such non-recoverable costs include, but are not limited to, anticipated profits on this Agreement, post-termination employee salaries, post-termination administrative expenses, post-termination overhead or unabsorbed overhead, attorneys' fees or other costs relating to the prosecution of a claim or lawsuit, prejudgment interest, or any other expense which is not reasonable or authorized under such subsection (c).

e. In arriving at the amount due to Contractor under this Section, City may deduct: (1) all payments previously made by City for work or other services covered by Contractor's final invoice; (2) any claim which City may have against Contractor in connection with this Agreement; (3) any invoiced costs or expenses excluded pursuant to the immediately preceding subsection (d); and (4) in instances in which, in the opinion of the City, the cost of any service or other work performed under this Agreement is excessively high due to costs incurred to remedy or replace defective or rejected services or other work, the difference between the invoiced amount and City's estimate of the reasonable cost of performing the invoiced services or other work in compliance with the requirements of this Agreement.

f. City's payment obligation under this Section shall survive termination of this Agreement.

22. Rights and Duties upon Termination or Expiration. This Section and the following Sections of this Agreement shall survive termination or expiration of this Agreement:

8. Submitting False Claims; 9. Disallowance; 10. Taxes; 11. Payment Does Not Imply Acceptance of Work; 13. Responsibility for Equipment; 14. Independent Contractor; Payment of Taxes and Other Expenses; 15. Insurance; 16. Indemnification; 17. Incidental and Consequential Damages; 18. Liability of City; 24. Proprietary or Confidential Information of City; 26. Ownership of Results; 27. Works for Hire; 28. Audit and Inspection of Records; 48. Modification of Agreement; 49. Administrative Remedy for Agreement Interpretation; 50. Agreement Made in California; Venue; 51. Construction; 52. Entire Agreement; 56. Severability; and 57. Protection of Private Information.

Subject to the immediately preceding sentence, upon termination of this Agreement prior to expiration of the term specified in Section 2, this Agreement shall terminate and be of no further force or effect. Contractor shall transfer title to City, and deliver in the manner, at the times, and to the extent, if any, directed by City, any work in progress, completed work, supplies, equipment, and other materials produced as a part of, or acquired in connection with the performance of this Agreement, and any completed or partially completed work which, if this Agreement had been completed, would have been required to be furnished to City. This subsection shall survive termination of this Agreement.

23. Conflict of Interest. Through its execution of this Agreement, Contractor acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of 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.

24. Proprietary or Confidential Information of City. Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Contractor may have access to private or confidential information which may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City. Contractor agrees that all information disclosed by City to Contractor shall be held in confidence and used only in performance of the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

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

To City: Jeff Flynn
SFMTA | Transit Operations
1 South Van Ness Avenue, 7th Floor
San Francisco, CA 94103

E-mail: jeffrey.flynn@sfmta.com

To Contractor: Lillian Chan
NextBus, Inc.
5900 Hollis Street, Suite X
Emeryville, CA 94608

E-mail: lchan@nextbus.com

Any notice of default must be sent by registered mail.

26. Ownership of Results. Any interest of Contractor or its Subcontractors, in drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by Contractor or its subcontractors in connection with services to be performed under this Agreement, shall become the property of and will be transmitted to City. However, Contractor may retain and use copies for reference and as documentation of its experience and capabilities.

27. Works for Hire. If, in connection with services performed under this Agreement, Contractor or its subcontractors create artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, blueprints, source codes or any other original works of authorship, such works of authorship shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the property of the City. If it is ever determined that any works created by Contractor or its subcontractors under this Agreement are not works for hire under U.S. law, Contractor hereby assigns all copyrights to such works to the City, and agrees to provide any material and execute any documents necessary to effectuate such assignment. With the approval of the City, Contractor may retain and use copies of such works for reference and as documentation of its experience and capabilities.

28. Audit and Inspection of Records. Contractor agrees to maintain and make available to the City, during regular business hours, accurate books and accounting records relating to its work under this Agreement. Contractor will permit City to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than five years after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon City by this Section.

29. Subcontracting. Contractor is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is first approved by City in writing. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. An agreement made in violation of this provision shall confer no rights on any party and shall be null and void.

30. Assignment. The services to be performed by Contractor are personal in character and neither this Agreement nor any duties or obligations hereunder may be assigned or delegated by the Contractor unless first approved by City by written instrument executed and approved in the same manner as this Agreement.

31. Non-Waiver of Rights. The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

32. Reserved.

33. Local Business Enterprise Utilization; Liquidated Damages

a. The LBE Ordinance. Contractor, shall comply with all the requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the “LBE Ordinance”), provided such amendments do not materially increase Contractor’s obligations or liabilities, or materially diminish Contractor’s rights, under this Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Agreement as though fully set forth in this section. Contractor’s willful failure to comply with any applicable provisions of the LBE Ordinance is a material breach of Contractor’s obligations under this Agreement and shall entitle City, subject to any applicable notice and cure provisions set forth in this Agreement, to exercise any of the remedies provided for under this Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any remedy is exclusive. In addition, Contractor shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

b. Compliance and Enforcement

(1) Enforcement. If Contractor willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this Agreement pertaining to LBE participation, Contractor shall be liable for liquidated damages in an amount equal to Contractor’s net profit on this Agreement, or 10% of the total amount of this Agreement, or \$1,000, whichever is greatest. The Director of the City’s Human Rights Commission or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the “Director of HRC”) may also impose other sanctions against Contractor authorized in the LBE Ordinance, including declaring the Contractor to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Contractor’s LBE certification. The Director of HRC will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to Administrative Code §14B.17.

By entering into this Agreement, Contractor acknowledges and agrees that any liquidated damages assessed by the Director of the HRC shall be payable to City upon demand. Contractor further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Contractor on any contract with City.

Contractor agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination or expiration of this Agreement, and shall make such records available for audit and inspection by the Director of HRC or the Controller upon request.

(2) Subcontracting Goals. The LBE subcontracting participation goal for this contract is 20%. Contractor shall fulfill the subcontracting commitment made in its bid or proposal. Each invoice submitted to City for payment shall include the information required in the HRC Progress Payment Form and the HRC Payment Affidavit. Failure to provide the HRC Progress Payment Form and the HRC Payment Affidavit with each invoice submitted by Contractor shall entitle City to withhold 20% of the amount of that invoice until the HRC Payment Form and the HRC Subcontractor Payment Affidavit are provided by Contractor. Contractor shall not participate in any back contracting to the Contractor or lower-tier subcontractors, as defined in the LBE Ordinance, for any purpose inconsistent with the provisions of the LBE Ordinance, its implementing rules and regulations, or this Section.

(3) Subcontract Language Requirements. Contractor shall incorporate the LBE Ordinance into each subcontract made in the fulfillment of Contractor's obligations under this Agreement and require each subcontractor to agree and comply with provisions of the ordinance applicable to subcontractors. Contractor shall include in all subcontracts with LBEs made in fulfillment of Contractor's obligations under this Agreement, a provision requiring Contractor to compensate any LBE subcontractor for damages for breach of contract or liquidated damages equal to 5% of the subcontract amount, whichever is greater, if Contractor does not fulfill its commitment to use the LBE subcontractor as specified in the bid or proposal, unless Contractor received advance approval from the Director of HRC and contract awarding authority to substitute subcontractors or to otherwise modify the commitments in the bid or proposal. Such provisions shall also state that it is enforceable in a court of competent jurisdiction. Subcontracts shall require the subcontractor to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination of this contract and to make such records available for audit and inspection by the Director of HRC or the Controller upon request.

(4) Payment of Subcontractors. Contractor shall pay its subcontractors within three working days after receiving payment from the City unless Contractor notifies the Director of HRC in writing within ten working days prior to receiving payment from the City that there is a bona fide dispute between Contractor and its subcontractor and the Director waives the three-day payment requirement, in which case Contractor may withhold the disputed amount but shall pay the undisputed amount. Contractor further agrees, within ten working days following receipt of payment from the City, to file the HRC Payment Affidavit with the Controller, under penalty of perjury, that the Contractor has paid all subcontractors. The affidavit shall provide the names and addresses of all subcontractors and the amount paid to each. Failure to provide such affidavit may subject Contractor to enforcement procedure under Administrative Code §14B.17.

34. Nondiscrimination; Penalties

a. Contractor Shall Not Discriminate. In the performance of this Agreement, Contractor agrees not to discriminate against any employee, City and County

employee working with such contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

b. Subcontracts. Contractor shall incorporate by reference in all subcontracts the provisions of §§12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from Purchasing) and shall require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

c. Nondiscrimination in Benefits. Contractor does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

d. Condition to Contract. As a condition to this Agreement, Contractor shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

e. Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Contractor understands that pursuant to §§12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Contractor and/or deducted from any payments due Contractor.

35. MacBride Principles—Northern Ireland. Pursuant to San Francisco Administrative Code §12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco 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 Contractor acknowledges and agrees that he or she has read and understood this section.

36. Left blank by agreement of the parties. (Tropical Hardwood and Virgin Redwood Ban)

37. Drug-Free Workplace Policy. Contractor 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. Contractor agrees that any violation of this prohibition by Contractor, its employees, agents or assigns will be deemed a material breach of this Agreement.

38. Resource Conservation. Chapter 5 of the San Francisco Environment Code (“Resource Conservation”) is incorporated herein by reference. Failure by Contractor to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract.

39. Compliance with Americans with Disabilities Act. Contractor acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Contractor shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Contractor, its employees, agents or assigns will constitute a material breach of this Agreement.

40. Sunshine Ordinance. In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors’ bids, responses to solicitations and all other records of communications between City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person 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. Information provided which is covered by this paragraph will be made available to the public upon request.

41. Public Access to Meetings and Records. If the Contractor receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, Contractor shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, the Contractor agrees to open its meetings and records to the public in the manner set forth in §§12L.4 and 12L.5 of the Administrative Code. Contractor further agrees to make-good faith efforts to promote community membership on its Board of Directors in the manner set forth in §12L.6 of the Administrative Code. The Contractor acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. The Contractor further acknowledges that such material breach of the Agreement shall be grounds for the City to terminate and/or not renew the Agreement, partially or in its entirety.

42. Limitations on Contributions. Through execution of this Agreement, Contractor acknowledges that it is familiar with section 1.126 of the City’s Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or the board of a state agency on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Contractor

acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Contractor further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Contractor further agrees to provide to City the names of each person, entity or committee described above.

43. Requiring Minimum Compensation for Covered Employees

a. Contractor agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Sections 12P.5 and 12P.5.1 of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse/mco. A partial listing of some of Contractor's obligations under the MCO is set forth in this Section. Contractor is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section.

b. The MCO requires Contractor to pay Contractor's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and Contractor is obligated to keep informed of the then-current requirements. Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is Contractor's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, City may pursue any of the remedies set forth in this Section against Contractor.

c. Contractor shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

d. Contractor shall maintain employee and payroll records as required by the MCO. If Contractor fails to do so, it shall be presumed that the Contractor paid no more than the minimum wage required under State law.

e. The City is authorized to inspect Contractor's job sites and conduct interviews with employees and conduct audits of Contractor.

f. Contractor's commitment to provide the Minimum Compensation is a material element of the City's consideration for this Agreement. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Contractor fails to comply with these requirements. Contractor agrees that the sums set forth in Section 12P.6.1 of

the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the City and the public will incur for Contractor's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

g. Contractor understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

h. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

i. If Contractor is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than \$25,000, but Contractor later enters into an agreement or agreements that cause contractor to exceed that amount in a fiscal year, Contractor shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Contractor and this department to exceed \$25,000 in the fiscal year.

44. Requiring Health Benefits for Covered Employees

Contractor agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of section 12Q.5.1 of Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at www.sfgov.org/olse. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

a. For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Contractor chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

b. Notwithstanding the above, if the Contractor is a small business as defined in Section 12Q.3(e) of the HCAO, it shall have no obligation to comply with part (a) above.

c. Contractor's failure to comply with the HCAO shall constitute a material breach of this agreement. City shall notify Contractor if such a breach has occurred. If, within 30 days after receiving City's written notice of a breach of this Agreement for violating the HCAO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such

period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City.

d. Any Subcontract entered into by Contractor shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Contractor shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Contractor shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against Contractor based on the Subcontractor's failure to comply, provided that City has first provided Contractor with notice and an opportunity to obtain a cure of the violation.

e. Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to Contractor's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

f. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

g. Contractor shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the City Contract.

h. Contractor shall keep itself informed of the current requirements of the HCAO.

i. Contractor shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

j. Contractor shall provide City with access to records pertaining to compliance with HCAO after receiving a written request from City to do so and being provided at least ten business days to respond.

k. Contractor shall allow City to inspect Contractor's job sites and have access to Contractor's employees in order to monitor and determine compliance with HCAO.

l. City may conduct random audits of Contractor to ascertain its compliance with HCAO. Contractor agrees to cooperate with City when it conducts such audits.

m. If Contractor is exempt from the HCAO when this Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but Contractor later enters into an agreement or agreements that cause Contractor's aggregate amount of all agreements with

City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Contractor and the City to be equal to or greater than \$75,000 in the fiscal year.

45. First Source Hiring Program

a. Incorporation of Administrative Code Provisions by Reference. The provisions of Chapter 83 of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with, and be bound by, all of the provisions that apply to this Agreement under such Chapter, including but not limited to the remedies provided therein. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 83.

b. First Source Hiring Agreement. As an essential term of, and consideration for, any contract or property contract with the City, not exempted by the FSHA, the Contractor shall enter into a first source hiring agreement (“agreement”) with the City, on or before the effective date of the contract or property contract. Contractors shall also enter into an agreement with the City for any other work that it performs in the City. Such agreement shall:

(1) Set appropriate hiring and retention goals for entry level positions. The employer shall agree to achieve these hiring and retention goals, or, if unable to achieve these goals, to establish good faith efforts as to its attempts to do so, as set forth in the agreement. The agreement shall take into consideration the employer’s participation in existing job training, referral and/or brokerage programs. Within the discretion of the FSHA, subject to appropriate modifications, participation in such programs may be certified as meeting the requirements of this Chapter. Failure either to achieve the specified goal or to establish good faith efforts will constitute noncompliance and will subject the employer to the provisions of Section 83.10 of this Chapter.

(2) Set first source interviewing, recruitment and hiring requirements, which will provide the San Francisco Workforce Development System with the first opportunity to provide qualified economically disadvantaged individuals for consideration for employment for entry level positions. Employers shall consider all applications of qualified economically disadvantaged individuals referred by the System for employment; provided however, if the employer utilizes nondiscriminatory screening criteria, the employer shall have the sole discretion to interview and/or hire individuals referred or certified by the San Francisco Workforce Development System as being qualified economically disadvantaged individuals. The duration of the first source interviewing requirement shall be determined by the FSHA and shall be set forth in each agreement, but shall not exceed 10 days. During that period, the employer may publicize the entry level positions in accordance with the agreement. A need for urgent or temporary hires must be evaluated, and appropriate provisions for such a situation must be made in the agreement.

(3) Set appropriate requirements for providing notification of available entry level positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of qualified economically disadvantaged individuals to

participating employers. Notification should include such information as employment needs by occupational title, skills, and/or experience required, the hours required, wage scale and duration of employment, identification of entry level and training positions, identification of English language proficiency requirements, or absence thereof, and the projected schedule and procedures for hiring for each occupation. Employers should provide both long-term job need projections and notice before initiating the interviewing and hiring process. These notification requirements will take into consideration any need to protect the employer's proprietary information.

(4) Set appropriate record keeping and monitoring requirements. The First Source Hiring Administration shall develop easy-to-use forms and record keeping requirements for documenting compliance with the agreement. To the greatest extent possible, these requirements shall utilize the employer's existing record keeping systems, be nonduplicative, and facilitate a coordinated flow of information and referrals.

(5) Establish guidelines for employer good faith efforts to comply with the first source hiring requirements of this Chapter. The FSHA will work with City departments to develop employer good faith effort requirements appropriate to the types of contracts and property contracts handled by each department. Employers shall appoint a liaison for dealing with the development and implementation of the employer's agreement. In the event that the FSHA finds that the employer under a City contract or property contract has taken actions primarily for the purpose of circumventing the requirements of this Chapter, that employer shall be subject to the sanctions set forth in Section 83.10 of this Chapter.

(6) Set the term of the requirements.

(7) Set appropriate enforcement and sanctioning standards consistent with this Chapter.

(8) Set forth the City's obligations to develop training programs, job applicant referrals, technical assistance, and information systems that assist the employer in complying with this Chapter.

(9) Require the developer to include notice of the requirements of this Chapter in leases, subleases, and other occupancy contracts.

c. Hiring Decisions. Contractor shall make the final determination of whether an Economically Disadvantaged Individual referred by the System is "qualified" for the position.

d. Exceptions. Upon application by Employer, the First Source Hiring Administration may grant an exception to any or all of the requirements of Chapter 83 in any situation where it concludes that compliance with this Chapter would cause economic hardship.

e. Liquidated Damages. Contractor agrees:

(1) To be liable to the City for liquidated damages as provided in this section;

(2) To be subject to the procedures governing enforcement of breaches of contracts based on violations of contract provisions required by this Chapter as set forth in this section;

(3) That the contractor's commitment to comply with this Chapter is a material element of the City's consideration for this contract; that the failure of the contractor to comply with the contract provisions required by this Chapter will cause harm to the City and the public which is significant and substantial but extremely difficult to quantify; that the harm to the City includes not only the financial cost of funding public assistance programs but also the insidious but impossible to quantify harm that this community and its families suffer as a result of unemployment; and that the assessment of liquidated damages of up to \$5,000 for every notice of a new hire for an entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.

(4) That the continued failure by a contractor to comply with its first source referral contractual obligations will cause further significant and substantial harm to the City and the public, and that a second assessment of liquidated damages of up to \$10,000 for each entry level position improperly withheld from the FSHA, from the time of the conclusion of the first investigation forward, does not exceed the financial and other damages that the City suffers as a result of the contractor's continued failure to comply with its first source referral contractual obligations;

(5) That in addition to the cost of investigating alleged violations under this Section, the computation of liquidated damages for purposes of this section is based on the following data:

A. The average length of stay on public assistance in San Francisco's County Adult Assistance Program is approximately 41 months at an average monthly grant of \$348 per month, totaling approximately \$14,379; and

B. In 2004, the retention rate of adults placed in employment programs funded under the Workforce Investment Act for at least the first six months of employment was 84.4%. Since qualified individuals under the First Source program face far fewer barriers to employment than their counterparts in programs funded by the Workforce Investment Act, it is reasonable to conclude that the average length of employment for an individual whom the First Source Program refers to an employer and who is hired in an entry level position is at least one year; therefore, liquidated damages that total \$5,000 for first violations and \$10,000 for subsequent violations as determined by FSHA constitute a fair, reasonable, and conservative attempt to quantify the harm caused to the City by the failure of a contractor to comply with its first source referral contractual obligations.

(6) That the failure of contractors to comply with this Chapter, except property contractors, may be subject to the debarment and monetary penalties set forth in Sections 6.80 et seq. of the San Francisco Administrative Code, as well as any other remedies available under the contract or at law; and

Violation of the requirements of Chapter 83 is subject to an assessment of liquidated damages in the amount of \$5,000 for every new hire for an Entry Level Position improperly withheld from the first source hiring process. The assessment of liquidated damages and the evaluation of any defenses or mitigating factors shall be made by the FSHA.

f. Subcontracts. Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of Chapter 83 and shall contain contractual obligations substantially the same as those set forth in this Section.

46. Prohibition on Political Activity with City Funds. In accordance with San Francisco Administrative Code Chapter 12.G, Contractor may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, “Political Activity”) in the performance of the services provided under this Agreement. Contractor agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City’s Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event Contractor violates the provisions of this section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit Contractor from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider Contractor’s use of profit as a violation of this section.

47. Left Blank by parties.

48. Modification of Agreement. This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement. Contractor shall cooperate with the SFMTA to submit to the SFMTA Contract Compliance Office any amendment, modification, supplement or change order that would result in a cumulative increase of the original amount of this Agreement by more than 20% (HRC Contract Modification Form).

49. Administrative Remedy for Agreement Interpretation. Should any question arise as to the meaning and intent of this Agreement, the question shall, prior to any other action or resort to any other legal remedy, be referred to Purchasing who shall decide the true meaning and intent of the Agreement.

50. Agreement Made in California; Venue. The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

51. Construction. All paragraph captions are for reference only and shall not be considered in construing this Agreement.

52. Entire Agreement. This contract sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions. This contract may be modified only as provided in Section 48, “Modification of Agreement.”

53. Compliance with Laws. Contractor shall keep itself fully informed of the City’s Charter, codes, ordinances and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

54. Services Provided by Attorneys. Any services to be provided by a law firm or attorney must be reviewed and approved in writing in advance by the City Attorney. No invoices for services provided by law firms or attorneys, including, without limitation, as subcontractors

of Contractor, will be paid unless the provider received advance written approval from the City Attorney.

55. Left blank by agreement of the parties. (Supervision of Minors)

56. 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 shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

57. Protection of Private Information. Contractor has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, “Nondisclosure of Private Information,” and 12M.3, “Enforcement” of Administrative Code Chapter 12M, “Protection of Private Information,” which are incorporated herein as if fully set forth. Contractor agrees that any failure of Contractor to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Contract. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Contract, bring a false claim action against the Contractor pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Contractor.

58. Reserved.

59. Left blank by agreement of the parties. (Food Service Waste Reduction Requirements)

60. Left blank by agreement of the parties. (Slavery Era Disclosure)

61. Cooperative Drafting. This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first mentioned above.

<p>CITY</p> <p>San Francisco Municipal Transportation Agency</p> <hr/> <p>Edward D. Reiskin Director of Transportation</p> <p>Approved as to Form:</p> <p>Dennis J. Herrera City Attorney</p> <p>By: _____ Robert K. Stone Deputy City Attorney</p> <p>AUTHORIZED BY:</p> <p>MUNICIPAL TRANSPORTATION AGENCY BOARD OF DIRECTORS Resolution No: _____</p> <p>Adopted: _____</p> <p>Attest: _____ Roberta Boomer, Secretary SFMTA Board of Directors</p>	<p>CONTRACTOR</p> <p>NextBus, Inc.</p> <p>By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.</p> <p>I have read and understood paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.</p> <hr/> <p>Lillian Chan General Manager 5900 Hollis Street, Suite X Emeryville, CA 94608</p> <p>City Vendor Number: 74925</p>
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Appendices

A: Services to be provided by Contractor

B: Calculation of Charges

APPENDIX A

AVLS MAINTENANCE SERVICES TO BE PROVIDED BY CONTRACTOR

Contractor shall provide the SFMTA System Support, Software Services, and Equipment Maintenance Services as described herein to support operation of the SFMTA's AVLS. Unless provided for herein or by amendment to this Maintenance Agreement, Contractor's maintenance service obligations are limited to the Base System.

1. **BASE SYSTEM**

1.1. **Hardware.**

The components listed in the following three charts comprise the SFMTA's AVLS Base System:

1.1.1. **Tracker Hardware.**

- (a) Revenue rubber tire vehicle trackers with and without charge-guard power supply: 869
- (b) Revenue rail vehicle (LRV, historic and cable car) vehicle trackers without charge-guard power supply: 231
- (c) Nonrevenue vehicle trackers with charge-guard power supply: 39

1.1.2. **Display Sign Hardware.**

- (a) LED displays with wireless communication link: 864
- (b) LCD monitors with computer and WI-FI network: 17
- (c) Agent booth computers with passenger information monitor: 9
- (d) Push-to-Talk speakers: 67

1.1.3. **Software.**

- (a) Up-to-date NextMuni system application software
- (b) SFMTA customized application software (subway map, MTC data feed, TSDE translator, real-time prediction quality system monitoring application, kiosk real system maps)

1.1.4. **Spares.** The spare parts listed in the following table shall be considered part of the Base System. If the spare parts listed in the table below are not in SFMTA inventory as of the date this Maintenance Agreement is finally approved, the Agency shall purchase said spares within 90 days of said date and transfer them to Contractor for its maintenance of the AVLS.

Tracker: 129	Platform sign with talking-sign: 7
Charge Guard: 91	LCD monitor: 2
LED shelter sign with Talking-sign: 34	LCD enclosure: 1
Push-to-Talk speaker: 7	Neo-ware computer: 3

2. **INCLUDED SERVICES**

Contractor shall provide the Included Services described in this Section 2 in exchange for the SFMTA's payment of the Annual Services Fee described in Appendix B to this Maintenance Agreement.

2.1. **System Maintenance Reports and Repair Log.** Contractor shall each day, seven days per week, generate and review System Maintenance Reports to identify defective or non-functioning Trackers and Display Signs, and shall further replace and repair defective Trackers and Display Signs by performing the tasks described in this Section 2 as Included Services. Contractor shall enter and track the repair of defective or non-functioning Trackers and Display Signs on a Repair Log. The repair log shall contain the reported outage date, resolution date, and repair action taken. Contractor shall daily transmit the Repair Log to designated SFMTA staff, seven days per week, via e-mail.

2.2. **Maintenance of Spares.** Contractor shall at its expense maintain Spares in the amounts listed in the table at Section 1.1.4, above, and shall have them available for installation to the SFMTA's AVLS. If at any time during the term of this Maintenance Agreement, the number of working Spares fall below the quantities set out in Section 1.1.4, Contractor shall acquire such additional Spares in sufficient time to maintain the AVLS without delays resulting from lead time for ordering of listed spares.

2.3. **Equipment Maintenance Services.**

Contractor shall provide Equipment Maintenance Services for the Equipment of the Base System, as described below.

2.3.1. **Tracker Replacement and Repair.**

(a) Contractor shall each day, seven days per week, identify defective or non-functioning Trackers, and shall replace and repair said Trackers that have stopped reporting or otherwise non-functioning. Trackers whose images appear outside of the traveled areas, and Trackers that have intermittent Problems, Trackers that are otherwise defective.

(b) To gain access to a vehicle to repair a Tracker, Contractor shall contact the dispatcher of the yard at which the vehicle with a defective Tracker is located to confirm that the vehicle is available and to make arrangements for Contractor to perform testing and repairs. Contractor shall perform all testing and repairs of on-board vehicle equipment at night during the hours 8:00 PM to 4:00 AM. Contingent upon the SFMTA making the vehicle on which the defective Tracker is installed available to Contractor, Contractor shall repair or replace a defective Tracker within 24 hours of the report of that Tracker as defective on a System Maintenance Report.

(c) For vehicles with a non-reporting Tracker that is integrated to a DRI Unit, Contractor shall test the Tracker in the vehicle to determine whether the Problem is caused by the Tracker or by the DRI Unit. If the Problem is caused by the DRI Unit or other equipment the SFMTA maintains, Contractor shall note that in a DRI repair log and notify SFMTA Operations to schedule repair of that equipment.

(d) If a Tracker is found defective, Contractor shall immediately replace it with a spare unit. Contractor shall repair the removed defective Tracker in Contractor's own facility (or that of a subcontractor) and return that Tracker to the inventory of spares it maintains for the SFMTA.

(e) All completed repairs must be noted in the Repair Log.

(f) Contractor shall send a report via email no later than 4:30 AM each morning clearly identifying the vehicles on which the Tracker is believed to be defective and which Contractor was not able to repair the previous night, so that the SFMTA may where possible hold a vehicle with a defective Tracker out of revenue service.

2.3.2. **Passenger Information LED Display Signs.**

Every day, seven days per week, Contractor shall perform the tasks described in this Section 2.3.2 to identify, diagnose and repair or replace defective LED displays using the following procedure:

(a) Contractor shall generate and review a Sign Administration Report to identify LED display signs that are not communicating with NextBus server.

(b) Contractor shall perform a “reset” of the sign manager to re-register sign communication.

(c) If the reset does not establish communication with the sign, Contractor shall within 24 hours of the time the sign appeared as non-functioning on a Systems Maintenance Report: (1) perform on-site diagnostics and repair if the Problem is related to cables and modems; or (2) for signs with Problems not related to cables and modems, Contractor shall replace the sign with a spare, and remove the sign for repair at Contractor's own facility or that of a subcontractor.

(d) If power is out at a shelter due to installation of a replacement shelter (i.e. New Wave design SFMTA shelter), NextBus shall note that the shelter was removed/replaced on the repair log and the website and remove the notation once power is connected.

2.3.3. **Passenger Information Subway LCD Hardware.**

(a) 24 hours per day, seven days per week, Contractor shall monitor the Subway LCD hardware to ensure that the display is functioning correctly. SFMTA shall be able to test this monitoring periodically to verify accuracy of monitoring and reporting of faults. If the monitoring system is determined to be unreliable, NextBus shall propose how to improve monitoring systems within 10 business days. If the parties agree, the number of physical inspections of LCD signs may be reduced as Contractor develops automatic remote monitoring systems to detect inoperable or defective LCD signs and hardware. Contractor shall enter and track repair of non-functioning or defective LCD signs and hardware will in the Daily Repair Log.

(b) Contractor shall repair all Problems occurring in or related to Subway LCD hardware or replace with spare said hardware, if available, within 18 hours of discovery or report that said hardware is malfunctioning or inoperable.

(c) Contractor shall replace repair Subway LCD hardware at Contractor's own facility or that of a subcontractor.

(d) If repairs are required during peak commute times (7:00 AM to 10:00 AM and 4:00 PM to 7:00 PM), the Contractor shall perform these repairs only if safe to do so as defined in Section 2.4.

(e) If malfunction is due to an SFMTA issue, contractor shall contact the designated IT person immediately upon discovery.

2.3.4. **Sign Replacements.** Contractor shall replace all AMS signs found defective with Data Display LED display sign Spares. Contractor shall replace AMS platform displays with Data Display platform sign Spares, and AMS agent booth displays will be replaced with Data Display 24” shelter sign Spares.

2.3.5. **Return of Spare Parts.** Contractor shall return all spare parts, including Trackers and Signs, to the SFMTA upon the expiration or termination of this Maintenance Agreement, or at any time during this agreement upon request from the SFMTA.

2.4. **Safety.** Contractor shall be wholly responsible for the safety of its personnel while performing work on SFMTA property. Contractor shall observe all SFMTA safety rules and requirements while performing work on any SFMTA property, including passenger loading platforms, transit stops, subway stations, and maintenance yards. Contractor's personnel and its subcontractors' personnel must obtain safety training and clearance from the SFMTA prior to performing any work on SFMTA platforms, in the subway or in SFMTA maintenance yards.

2.5. **System Support Services.** Contractor shall provide all support services and software engineering services necessary to maintain the AVLS operating within Accepted System Standards. Contractor shall provide the following System Support Services:

2.5.1. **AVLS Subsystems.** Contractor shall maintain and provide first-line system support to the following AVLS WEB subsystems:

(a) Internet-based Map Displays with local-street maps and route system overlay.

(b) Transit management reports.

(c) Real time bus arrival information for passengers.

2.5.2. Contractor shall provide a Systems Support Manager who will be a single point of contact to the SFMTA and will act as a liaison between the SFMTA's customer care service and contractor.

2.5.3. Contractor's System Support Manager shall supervise and be responsible for investigating and correcting or repairing Problems.

2.5.4. To ensure adequate support coverage to the SFMTA, Contractor shall provide a Customer Service Lead to back-up the Systems Support Manager in his/her absence.

2.5.5. Contractor shall perform all system maintenance and upgrades to the AVLS during non-rush hours, which are defined as between 12:00 AM and 5:00 AM (Pacific Time). Contractor may perform emergency maintenance at other times, but only with SFMTA written approval.

2.6. **ASP and Wireless Data Services.** ASP and wireless data charges (for cell phone communications between Trackers and servers) are part of Included Services and are compensated by payment of the annual maintenance fees. Contractor shall be wholly responsible for managing, arranging for and/or providing ASP services to maintain the NextMuni.com and NextBus.com internet web sites. Contractor shall be wholly responsible for managing, arranging for and/or providing AVLS wireless data services to maintain communications between vehicle Trackers and the AVLS servers.

2.7. **Software Services.**

2.7.1. **AVLS Software.** Contractor shall maintain the AVLS software so that it continues to operate within Accepted System Parameters for the term of this Maintenance Agreement. Contractor shall provide all necessary programming and configuration services, software updates, non-custom upgrades (i.e., upgrades Contractor provides to all of its customers), work-arounds, patches and bug fixes and quality checks necessary to maintain the AVLS. Contractor shall provide immediate notice via email to the SFMTA's System Manager, the 311 System Manager, and 511 System Manager (and other personnel whom the SFMTA may identify) when Contractor discovers Problems.

2.7.2. **SFMTA Systems Interfaces.** Contractor shall provide Systems Support to ensure the continued functioning of the following SFMTA AVLS interfaces (listed below) within Accepted System Parameters, which are set out in the submittal documents referenced below. Contractor shall request SFMTA's approval to make changes no less than three (3) business days via email to the SFMTA's System Manager prior to implementing a software update or upgrade that may impact a systems interface. The SFMTA will not unreasonably withhold its approval to deploy an update or upgrade. Contractor shall not deploy updates or upgrades without SFMTA's approval.

(a) Continuous Automated Monitoring Data and Prediction Quality (Refer to MR1138 Submittal Document# 132).

(b) Automation of Configuration to Incorporate Schedule and Route Changes into the AVL and Prediction Servers (Refer to MR 1138 Submittal Document# 135). Contractor shall verify new schedule and post-processing of the configuration data before final release.

(c) Metropolitan Transportation Commission (MTC) 511 (Refer to MR 1138 Submittal Document #136).

(d) Train Number Import Interface/Assignment Feed.

(e) XML data feed of AVLS real-time vehicle location data and predictive arrival time data to City databases and websites.

(f) Storing AVL and prediction data in the NextMuni Database.

(g) AVL Feed for Underground Streetcars via SMC and VCC Feeds.

(h) Passenger Web Interface.

(i) ADA Website.

(j) WAP site.

(k) SMS site.

(l) Google API Based Map.

(m) Provide real-time data in a format that can be used to populate Google Transit upon completion of MTC 511 new feed format.

(n) Agent Booth Web Pages.

(o) Management Map.

(p) Message Console.

(q) Data Archival.

(r) SFMTA user activity log (that records job assignments and managers logs)

(s) Existing Custom Reports, including:

(i) Prediction Quality

(ii) Prediction quality for Route

(iii) Headway Monitoring.

2.7.3. Interfaced Software Updates. Contractor shall provide systems support to ensure the continued functioning of the SFMTA's AVLS interface to the Trapeze scheduling software system and the data feed to the Metropolitan Transportation Authority's (MTC) 511 system within Accepted System Parameters as specified by MTC. Contractor shall apply the following procedures to maintain those data feeds:

(a) Contractor shall load configuration from Trapeze system onto test system with the Schedule Update application on the Agency Page.

(i) If configuration does not load successfully, Contractor shall investigate the problem. Contractor will fix the upload software accordingly if problem is Nextbus software related. If the problem is due to the configuration data, Contractor will communicate that information to SFMTA so that the Agency can correct the data.

(ii) If a relatively small problem is encountered, such as a holiday file is found to be missing, empty, or without expected holidays, Contractor will inform

SFMTA of missing data and insert the data manually if possible and/or notify SFMTA of the deficiency.

- (b) Contractor and SFMTA staff shall check the data configuration on the test system as follows:
 - (i) Review current list of expected changes in this upload and confirm or note discrepancies.
 - (ii) Review current list of known problems and statuses from last report, note changes.
 - (iii) Inspect System Maintenance Reports for new problems:
 - (iv) Examine log files for new warnings, errors, or any major changes in information messages that were detected when the configuration was loaded. Investigate and analyze any changes.
 - (v) Visually inspect all routes zoomed to whole system for global path or stop errors.
 - (vi) Visually inspect each route zoomed to its individual level for defects such as jagged routes or stops not being on the paths.
 - (vii) Pan each route from end to end zoomed to street block level, checking for visual defects in paths or stops.
 - (viii) Check the route selector for each route for number of route directions offered against list of known discrepancies, such as four directions for the 38-Geary.
 - (ix) Review report from "Configuration Reports: Segment Times for Route" for unexpected default speeds where there are normally adjusted speeds. Check a list of specific high-priority routes. If many of these have default speeds, leave the new schedule on the test system for a week, run the Segment Times application on it, and inspect again before approving for deployment to public.
 - (x) Inspect the report "Stops and Timepoints for Job" and spot verify that break points, time points and schedule points meet the SFMTA's current operating rules.
 - (xi) Confirm that expected holidays appear in the report "Configuration Reports: Holidays"
 - (xii) Identify Problems from above checks, research, analyze, and compile detailed report. Email report to SFMTA System Manager and other responsible parties at NextBus and SFMTA. Depending on evaluation and review of reports and any other problems found by NextBus or SFMTA, either request a new upload to correct urgent problems or deploy this upload to production system as is.
 - (xiii) Notify SFMTA that the Agency needs to confirm that the intended changes have been made correctly and that no Problems have been introduced. This step is critical because NextBus does not know the intent of the schedule changes so cannot fully QA the configuration alone.
 - (xiv) Confirm that XML feed is fully functional for the test system so that MTC can access and test it.
 - (xv) Notify MTC that new configuration is available on sf-muni-test predictor such that it can be tested.
 - (xvi) Work with SFMTA to resolve the problem and issues found while performing quality assurance checks.

(xvii) Field questions from MTC that SFMTA can answer. Refer MTC to appropriate SFMTA personnel for questions that they need to answer.

(xviii) Make any needed software changes required for the MTC 511 feed.

(xix) Collaborate with MTC & SFMTA to make sure that the changeover to the new configuration on the production servers is correctly and fully executed.

(xx) Inform MTC when new configuration on test system is fully functional. As Contractor receives new data sets from SFMTA, Contractor will repeat the above processes and communicate with MTC when a new configuration is available on the test system.

(xxi) Update running times so that the generated arrival predictions are as accurate as possible. This will not work for all types of configuration changes because the vehicles will not yet be running the new configuration. Therefore this update will need to be done again several days after the new configuration goes into effect.

(xxii) Contractor shall make the new configuration available on the production NextBus and NextMuni.com servers at the appointed time such that the MTC 511 system will automatically start uploading it.

(xxiii) After new configuration is in place for several days, update the running times so that the generated arrival predictions are as accurate as possible.

(xxiv) After the configuration has gone live, communicate with MTC to see if there are new problems. Resolve such problems if they occur.

2.7.4. **XML Data Link.** Contractor shall provide necessary technological assistance in placing and maintaining an XML data stream (via weblink or other SFMTA approved data conveyance) of the real time predictive AVLS data to the SFMTA's website.

2.7.5. **System Administration.** Contractor shall perform the following system administrative tasks to maintain the AVLS data infrastructure:

(a) Maintain Contractor's network system infrastructure for managing, storing, archiving, and protecting the SFMTA's AVL and predictive data and other related data;

(b) Perform daily backup of all SFMTA AVLS data to ensure secure data storage and quick recovery;

(c) Maintain a secure firewall to ensure continuous data protection and data integrity;

(d) Maintain software at a level of functionality of Accepted System Parameters;

(e) Provide on-going remedial software support by qualified software/system engineers;

(f) Maintain system availability with minimal interruptions caused by periodic scheduled backup or other unscheduled interruptions;

(g) Work directly with wireless carriers to resolve Problems originated by the wireless carriers.

(h) Update server operating system to ensure that AVLS is secure and reliable;

(i) Update application software on servers including, but not limited to:

- (i) PostGres database
- (ii) Apache
- (iii) Tomcat web server software
- (iv) Java JDK
- (v) Perl, and Python.

Update firmware (software embedded to Equipment) on switches, firewalls, and load balancers.

- (j) Reconfigure firewalls and load balancer as needed;
- (k) Maintain systems monitoring tools that automatically detect Problems and/or off-line devices;
- (l) Replace and reconfigure disk drives as they fail;
- (m) Replace and set-up new servers when old servers are retired, become obsolete or fail;
- (n) Maintain “out of band” service that allows Contractor to service a server even if the server or the network is down;
- (o) Maintain domain names and SSL security certificates;
- (p) Maintain third party software licenses;
- (q) Manage power and network requirements of AVLS, and obtain additional power or network bandwidth as needed;
- (r) Update the LINUX operating system.

2.7.6. **System Monitoring.**

Contractor shall continuously monitor the AVLS subsystems listed below to ensure that the AVLS continues to operate within Accepted System Parameters. Contractor shall notify the SFMTA's Systems Manager, the 311 System Manager, the 511 System Manager (and other personnel who may be identified by the SFMTA) by email whenever a problem arises that impedes the operation of the following subsystems:

- (a) Server-to-sign and tracker-to-server communication,
- (b) Internet connectivity of servers,
- (c) Server operation and efficiency
- (d) Wireless data links and maintenance schedules
- (e) LCD subway-platform monitors

2.7.7. **AVLS Software Updates and Upgrades.**

(a) Contractor shall provide the SFMTA with all Software Updates to maintain the AVLS operating within Accepted System Parameters. Contractor shall provide to the SFMTA at no additional charge Software Upgrades and other enhancements that Contractor has provided to any of Contractor's other customers at no additional charge. (Custom Software Upgrades applicable only the SFMTA are Additional Services.) Contractor shall test all Upgrades and Updates before deployment to ensure compatibility with the SFMTA AVLS. Contractor shall deploy Upgrades and Updates to the SFMTA's AVLS only at such times as will not degrade the availability or functions of the AVLS. Contractor shall provide notice to and seek authority from the SFMTA no less than three (3) business days notice before deploying an Upgrade or Update to the AVLS. The SFMTA will not unreasonably withhold its approval to

deploy an Update or Upgrade. Contractor shall manually check and confirm system performance is within Accepted System Parameters after uploading software or configuring data.

(b) The City is hereby granted a non-exclusive, non-transferable, perpetual, restricted license to use any Software Update or Software Upgrade provided by Contractor under this Maintenance Agreement. Contractor warrants that it has the title to and/or authority to grant said license(s) and sublicenses(s) to the City. Contractor further warrants that to the best of Contractor's knowledge at the time, the Software Update or Software Upgrade will not infringe on any license, copyright, patent or trademark.

2.7.8. **Existing Automatic Route/Stop/Schedule Import.** Contractor shall make any necessary changes to the AVLS to incorporate any route, stop, or schedule changes for transit routes. SFMTA must submit all route, stop, and schedule changes to Contractor for upload to the AVLS via the WEB configuration upload interface or other file format prescribed by NextBus not less than one (1) week before the Agency makes those changes to revenue service.

2.7.9. **Data Storage.** Contractor shall store SFMTA AVL and arrival, departure, headway and schedule adherence data in an on-line accessible format for not less than one year. Contractor shall store SFMTA AVL and prediction data that is older than one year- in an accessible archive format for not less than five (5) years. This archived data shall be made available to SFMTA on request within 10 business days provided the data were not damaged in an event, which is out of NextBus control. The requested off-line data shall be restored to the on-line database one month at a time.

2.7.10. **Allowance for Minor Improvement of Webpage and Existing Custom Reports.** Contractor shall provide SFMTA 160 engineering hours for each year of this Maintenance Agreement to be used for minor improvements to the NextMuni.com webpage and custom reports existing as of the August 1, 2009. Unused hours will rollover to the following year, but the City may not accrue more than 300 hours. Engineering hours required for webpage and custom report maintenance beyond those accrued at the time service is requested by SFMTA will be Additional Services. The SFMTA may utilize the engineering hours within the allowance for the creation of an AVLS management dashboard (described in Section 2.7.11), which functions shall be limited to NextBus system and AVLS operating status.

2.7.11. **Allowance for Training, As-Needed Engineering Services and Hardware Procurement.** - 160 annual engineering hours provided - in section 2.7.10 can be used for as-needed engineering services Contractor shall bill as-needed engineering services and training requested by the SFMTA at the labor rates set out in Appendix B to this Maintenance Agreement. Contractor shall bill the SFMTA for as-needed Equipment authorized by the SFMTA at actual cost plus five percent (5%) mark-up. Any portion of the allowance for as-needed engineering services and hardware procurement shall roll-over to the next year or shall be credited towards the annual services fee.

2.8. **Customer Support Requests.**

2.8.1. **Urgent Problem Reporting.** During business hours (8:00 AM and 6:00PM) SFMTA will report Urgent Problems and other AVLS malfunctions to Contractor's Customer Service Call Administrator through the following toll-free phone telephone number which Contractor shall maintain for the Term of this Maintenance Agreement: 1-877-NextBus (877-639-8287). Contractor shall respond to an urgent Problem within (30) minutes of SFMTA's initial report to inform the SFMTA of actions taken to fix the reported Problem and restore AVLS to full operation. Customer may call the toll-free number at any time and leave detailed Problem reports on voice-mail. SFMTA shall provide to Contractor as much information as it knows concerning the Problem, and shall provide the name and phone number of the SFMTA contact person responsible for addressing the Problem with Contractor.

During non-business hours (i.e., before 8:00 AM and after 6:00 PM Pacific Time), all reports of urgent Problems made to 877-639-8287 will be forwarded to an after-hour support technician. The support technician shall be familiar with the Contractor's procedures for receiving, tracking and assigning incoming calls. Systems related calls shall be given priority and will be dispatched immediately to the appropriate support personnel or the standby support engineer for investigation, in accordance with the contracted coverage and level of service. Contractor shall respond to reports of hardware related Problems (reported during off-business hours) within 24 hours or receipt of complaint.

2.8.2. **Non-Urgent Problem Reporting.** SFMTA will report non-urgent Problems and other non-urgent AVLS malfunctions via email at support@nextbus.com. Contractor shall respond to a non-urgent Problem within 24 hours from SFMTA's initial report. SFMTA shall provide to Contractor as much information as it knows concerning the Problem, and shall provide the name and email address of the SFMTA contact person responsible for addressing the Problem with Contractor.

2.8.3. **Problem.** A Problem is a malfunction or delayed function of the AVLS or any AVLS function or component, including but not limited to software, trackers, transit stop and platform information display signs, website, XML data feed, arrival prediction and real time location reporting.

2.9. **Problem, Complaint and Inquiry Report Tracking.**

a. Contractor shall log all Problems reported by the SFMTA, the 311 System Manager, and the 511 System Manager (and other personnel who may be identified by the SFMTA) and assign an individual tracking number to each Problem, complaint or inquiry reported. Contractor shall use the NextBus Service & Support System to log calls and track details, assignments and journal service and support so that call data can be effectively reported as to type, severity and frequency of Problems reported, response times, and time and actions required to the resolve Problems. This log shall be provided to the SFMTA monthly.

b. Contractor shall dispatch a support engineer responsible for resolving that Problem within 24 hours of SFMTA's initial report. During business hours (5:00 AM to 5:00 PM Pacific Time), Contractor's call administrator will answer the phone and log all incoming calls, assign a tracking number, and forward the call to the appropriate support personnel. System related calls are of priority and shall be dealt with immediately. Contractor shall work to fix Equipment related Problems within 24 hours from the time the Problem is reported. If the Problem concerns a Tracker, the 48 hour period shall commence when the SFMTA makes the vehicle on which the Tracker is located available to Contractor.

c. Contractor shall submit a report to SFMTA within five business days of resolving a Problem stating how Contractor resolved the Problem and how Contractor proposes to avoid or prevent its reoccurrence.

2.10. **User Training.** When requested by the SFMTA, Contractor shall provide annually one two-day refresher course for up to twenty (20) persons in the operation of the AVLS, including but not limited to data reporting and compilation, system administration, and use of AVLS management tools.

2.11. **Complaint Escalation Procedures.**

2.11.1. **Contractor.** If Contractor fails to respond to a reported Problem or other complaint within the time required or other time reasonable under the circumstances, the SFMTA may escalate the report of the Problem to the following personnel:

- (a) Call Administrator - 877- NextBus (877-639-8287)
- (b) Dennis Kim, Support Engineer
- (c) Roger Wong, Field Support Manager

- (d) Russell Chun, System Support Manager
- (e) Lillian Chan, General Manager

SFMTA may submit complaints to the Contractor's assigned field support manager after 48 hours have elapsed from the initial report of a Problem, which complaint shall trigger Contractor's internal Problem report escalation procedures.

2.11.2. **SFMTA.** If SFMTA fails to respond to an inquiry or other complaint within reported Problem within a time reasonable under the circumstances, Contractor may escalate the report of the Problem to the following SFMTA personnel:

- (a) Jeff Flynn, System Manager
- (b) Trinh Nguyen, Contract Manager
- (c) Hoppers, IT Manager
- (d) John Haley, Director of Transit

3. ADDITIONAL SERVICES

Contractor shall provide the SFMTA the Additional Services described in this Section III and as may be requested by the SFMTA, which shall be priced either on a negotiated fixed fee or on an time and material basis using the hourly labor rates set out in Appendix B.

3.1. **Additional Custom Reports.** If the AVLS software must be reconfigured to provide the additional report(s) requested by the SFMTA, Contractor shall provide the Agency a cost analysis of the time and cost required to configure the software to generate the report(s).

3.2. **Repair Training.** During the term of this Maintenance Agreement, when requested by the SFMTA, Contractor shall provide a one-week repair training courses to train SFMTA maintenance technicians in the testing, removal, installation and repair of AVLS Equipment, including but not limited to Trackers and Sign Displays.

3.3. **Additional Training.** When requested by the SFMTA, Contractor shall provide additional training sessions to SFMTA personnel in: (1) Equipment diagnosis, maintenance, and repair; (2) data collection and sorting, and report writing and user training.

3.4. AVLS Expansion.

3.4.1. **Vehicles.** The amount of the annual service charge for Included Services is calculated based on the number of vehicles included in the AVLS as of August 1, 2009. Contractor may increase the annual service charge for Included Services by the prorata cost per vehicle for Included Services for each Tracker of \$58 per month or \$696 per year (as set out in the following table) added to the AVLS that results in a net gain in the number of vehicles included in the AVLS. Contractor may charge not more than its hourly rate for time actually expended in installing a Trackers to an added vehicles or for removing a Tracker from a vehicle to be retired and reinstalling the Tracker on a replacement vehicle.

3.4.2. **LED Display Signs.** The amount of the annual service charge for Included Services is calculated based on the number of display signs included in the AVLS as of August 1, 2009. Contractor may increase the annual service charge for Included Services by the prorata cost per display sign of \$58 per month or \$696 per year (as set out in the following table) for each display sign added to the AVLS that results in a net gain in the number of display signs included in the AVLS. Contractor may charge not more than its hourly rate (as provided in Appendix B to this Maintenance Agreement) for time actually expended in installing a display sign or for removing a display sign to be retired and installing a new display sign. If custom hardware is required to mount a sign, engineering hourly rates apply for design of the custom brackets. Additional charges will include cost plus 10 percent for building custom brackets.

Equipment	Rate/Price
Trackers/charge guards (per vehicle):	\$2,200.00
Wireless and ASP fees	\$58.00 month/\$696.00 Year

Equipment	Rate/Price
Shelter Display Signs/PTT (each)	\$3,700.00
Platform Display Signs/PTT (each)	\$7,500.00
LCD ASP fees	\$101.20 month/\$1214.40 year
LED, Agent Kiosk sign ASP fees	\$36.00 month/\$432.00 year
LED sign wireless and ASP fees	\$58.00 month/ \$696 year

3.5. **Additional Services Request Procedure.** The SFMTA will request Additional Services in writing to Contractor. Contractor shall within 10 business days of receipt of request and after business and detailed technical requirements have been approved by SFMTA provide to the SFMTA a proposal that includes a description of services to be provided, identity of staff and number staff hours required to complete the project, start date, completion date, costs and expenses, and a not-to-exceed total cost estimate or lump sum price for the work. SFMTA shall make appropriate staff available on a timely basis to complete business and detailed technical requirements. The SFMTA must approve the proposal in writing by work order signed by the SFMTA's Director of Transportation or his designee.

3.6. **Other Additional Services.**

Contractor's resolution of problems caused by any of the following occurrences will be treated as Additional Services:

3.6.1. Failure of Customer's operations staff to follow instructions or corrective procedures provided by Contractor,

3.6.2. Hardware and system misuse, negligence, willful misconduct, tampering, accident, abuse, fire, flood, wind, earthquake, act of God or public enemy,

3.6.3. Upgrade of Tracker and Display Sign hardware that are requested by SFMTA,

3.6.4. Repair for hardware failures after Maintenance Contract expires,

3.6.5. Integration of third party hardware or software not integrated to the AVLS as of July 31, 2013.

3.7. **Mark-up for Equipment.** When requested by the SFMTA, Contractor shall procure AVLS Equipment on behalf of the Agency. Contractor may mark-up procured Equipment not more than five percent (5%) of Contractor's cost. SFMTA will pay actual shipping costs only.

4. **SYSTEM AVAILABILITY REQUIREMENTS**

The AVLS is a vital system on which SFMTA relies for transit management and SFMTA's riders rely on for transit use and trip planning. Timely maintenance of the AVLS, including replacement of nonoperational Equipment by Contractor, is crucial to maintain system availability for all users. Contractor shall maintain the AVLS to meet the system availability requirements set out below.

4.1. **Tracker Availability.** Excluding the vehicles that are on hold (out of service by SFMTA maintenance personnel for maintenance repair or unavailable to NextBus), within any 48 hour period, no less than 98 percent of total Trackers must be operable and available and 96 percent per SFMTA division must be operable and available. Contractor shall pay to the SFMTA as liquidated damages Two Hundred Dollars (\$200) per non-operable Tracker per incident for any period exceeding 48 hours where Contractor fails to maintain the Trackers as required herein.

4.2. **Signs Availability.**

4.2.1. **Platform and Shelter Signs.** Within any 48 hour period, no less than 98 percent of Platform Signs and Shelter Signs must be fully operable, subject to parts availability. Contractor shall pay to the SFMTA as liquidated damages Five Hundred Dollars (\$500) per non-operable sign per incident for any period exceeding 48 hours where Contractor fails to maintain the Platform Signs as required herein. Contractor shall pay to the SFMTA as liquidated damages \$250 per non-operable sign per incident for any period exceeding 48 hours where Contractor fails to maintain the Shelter Signs as required herein

4.2.2. **Subway LCDs.** Within any 24 hour period, all Subway LCD and LED Signs must be fully operable, subject to network and parts availability. Contractor shall pay to the SFMTA as liquidated damages One Thousand Dollars (\$1,000) per non-operable sign per incident for any period exceeding 24 hours where Contractor fails to maintain the Subway LCD Signs as required herein.

4.3. **Data and Server System Availability.** Contractor shall maintain the AVLS servers and software so that the AVLS is functioning within Accepted System Parameters 24 hours per day, seven days per week. Contractor shall perform planned server maintenance only during the hours of 12:00 AM to 5:00 AM Pacific Time.

4.4. **Webpage Availability.** Contractor shall maintain the NextMuni.com web page so that it is available to the public 24 hours per day, 7 days per week. Contractor shall perform planned webpage updates and upgrades only during the hours of Midnight to 5:00 AM. Contractor shall pay to the SFMTA as liquidated damages \$5,000 for any period exceeding four (4) continuous hours where Contractor fails to maintain the NextMuni.com website as required herein.

4.5. **MTC 511 Link.** Contractor shall maintain the data link from the AVLS to the MTC 511 system so that AVLS data is available to the MTC 511 system 24 hours per day, 7 days per week. Contractor shall pay to the SFMTA as liquidated damages \$2,500 for any period exceeding four (4) continuous hours where Contractor fails to maintain the MTC 511 Link as required herein.

4.6. **Availability Reporting.** No later than the tenth day of any month during the term of this Maintenance Agreement, Contractor shall submit a report to the SFMTA stating the availability of the AVLS and its component parts and systems (as described in paragraphs 4.1 through 4.5, above) during the preceding month. The report shall describe Contractor's maintenance of the AVLS (including Equipment replaced, software and webpage updates and upgrades, and server maintenance), any Problems arising during the month reported, any unresolved Problems and Contractor's proposed actions to resolve those Problems. The report will compare AVLS availability for all months reported, so that the SFMTA may track AVLS performance and maintenance.

4.7. **Payment of Liquidated Damages.** At the SFMTA's discretion, Contractor shall pay the SFMTA liquidated damages in the amounts stated in this agreement, when the AVLS or a component of the AVLS is unavailable, and the unavailability of the AVLS or AVLS component exceeds the unavailability standards set out in this Section 4, and said unavailability is not excused due to actions of the SFMTA or actions of third parties (including ASP, wireless data service, and server hosting providers) beyond the reasonable control of Contractor. The SFMTA may in its discretion either demand payment of liquidated damages or reduce by those amounts the next quarterly payment of annual service fees.

APPENDIX B

CALCULATION OF CHARGES

A. Fees for Included Services

The Fees for Included Services during the term of this Maintenance Agreement shall be as set out in the following table:

Contract Year	Included Services Fee	Quarterly Payment
2013-14	\$1,972,555	\$493,138.75
2014-15	\$1,972,555	\$493,138.75
2015-16	\$1,972,555	\$493,138.75
2016-17	\$1,972,555	\$493,138.75

B. Additional Services

When Contractor provides the SFMTA Additional Services authorized under a time and material purchase order, Contractor shall charge the SFMTA the hourly labor rates set out in the following table.

Labor Rates

Contract Year	Position/PM Hourly Rate	Position/Sr. SW Eng. Hourly Rate	Position/System Administration Hourly Rate	Position/Support Engineer Hourly Rate	Position/HW Engineer Hourly Rate
2013-2014	\$138.00	\$ 162.75	\$ 116.90	\$ 101.00	\$ 101.00
2014-2015	\$142.00	\$ 167.60	\$ 120.40	\$ 104.00	\$ 104.00
2016-2017	\$146.25	\$ 172.60	\$ 124.00	\$ 107.00	\$107.00
2017-2018	\$150.65	\$ 177.75	\$ 127.70	\$110.20	\$110.20

C. Additional Real-Time Signage

See Appendix B, Section 3.4.2

D. Costs Listed Are Inclusive.

1. Fees for Included Services include AVLS Equipment maintenance and repair and all wireless data services and ASP charges, which include services provided by AT&T and NextBus to ensure the communicability of the AVL trackers and display signs by performing the following:

- a. Maintaining the wireless network
- b. Trouble shoot and diagnose problems
- c. Perform provisioning SIMs to NextBus network
- d. Configure of SIMs to AVL trackers and signs

2. ASP charges include the following services provided by NextBus:
 - a. System Administration
 - b. On-going Monitoring of System
 - c. Wireless Communication Monitoring
 - d. Minor Product Enhancement Releases
 - e. Existing Automatic Route/Stop/Schedule Import
 - f. Maintaining Custom Interfaces

3. All prices listed herein as Included Services and Additional Services include applicable State and Local sales and use taxes.

4. Unless specifically provided otherwise in an authorized Purchase Order for Additional Services, the prices listed herein for Included Services and Additional Services are comprehensive and cover profit and all of Contractor's expenses, charges, costs, overhead (including but not limited to wages, salaries, benefits and other labor costs, equipment not supplied to the SFMTA, telephone, facsimile, postage, travel expenses, lodging, meals, vehicle rental and mileage) and mark-up for Equipment and other materials to charged to the SFMTA.