This meeting is being held in accordance with the Brown Act as it is currently in effect under the State Emergency Services Act, the Governor’s Emergency Declaration related to COVID-19, and the Governor’s Executive Order N-29-20 issued on March 17, 2020. On July 27, 2020, the County Health Services Agency announced that the California Department of Public Health has added Santa Cruz County to the monitoring list modifying or closing operations in several sectors. Critical infrastructure offices are listed by the state and can be found at https://files.covid19.ca.gov/pdf/EssentialCriticalInfrastructureWorkers.pdf.

Members of the public may not attend this meeting in person. Comments and questions may be shared with the Commission through teleconference audio in real time, or by prior written submission to info@sccrtc.org.

NOTE
See the last page for details about access for people with disabilities, translation services, and meeting broadcasts.

En Español
Para información sobre servicios de traducción al español, diríjase a la última página.

AGENDAS ONLINE
To receive email notification when the RTC meeting agenda packet is posted on our website, please call (831) 460-3200 or visit sccrtc.org/about/esubscriptions/
**COMMISSION MEMBERSHIP**

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<td>Caltrans (ex-officio)</td>
<td>Tim Gubbins</td>
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<td>City of Capitola</td>
<td>Jacques Bertrand</td>
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<td>Sandy Brown</td>
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<td>Bruce McPherson</td>
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<td>Santa Cruz Metropolitan Transit District</td>
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<td>Santa Cruz Metropolitan Transit District</td>
<td>Mike Rotkin</td>
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*The majority of the Commission constitutes a quorum for the transaction of business.*

1. Roll call

2. Oral communications

   *Any member of the public may address the Commission on any item within the jurisdiction of the Commission that is not already on the agenda. The Commission will listen to all communication, but in compliance with State law, and may not take action on items that are not on the agenda.*

   *Speakers are requested to sign the sign-in sheet and state their name clearly so that their names can be accurately recorded in the minutes of the meeting.*

3. Additions or deletions to consent and regular agendas

**CONSENT AGENDA**

*All items appearing on the consent agenda are considered to be minor or non-controversial and will be acted upon in one motion if no member of the RTC or public wishes an item be removed and discussed on the regular agenda. Members of the Commission may raise questions, seek clarification or add directions to consent agenda items without removing the item from the consent agenda as long as no other Commissioner objects to the change.*
MINUTES
4. Approve draft minutes of the June 29, 2020 Regional Transportation Commission special meeting.

POLICY ITEMS
5. Approve Santa Cruz Branch Rail Line Right-of-Way Leases, Licenses Rights of Entry, and Encroachments Policy Updates

PROJECTS and PLANNING ITEMS
6. Approve Regional Transportation Improvement Program (RTIP) Amendment: Bike Santa Cruz County Project PASEO Scope (Resolution)
7. Accept information on Santa Cruz Branch Rail Line Ownership and Potential Use
8. Accept Highway 1 Corridor Investment Program Update
9. Approve Construction Management for Three Storm Damage Projects (Phase 2) on the Santa Cruz Branch Rail Corridor (Resolution)
10. Accept Update on Storm Damage Repair Site 7
11. Approve adopting Plans, Specifications, and Estimate for Sites 3, 4, 5, and 6 of the 2017 Storm Damage Repairs along the Santa Cruz Branch Rail Corridor (Resolution)

BUDGET AND EXPENDITURES ITEMS
12. Accept status report on Transportation Development Act (TDA) revenues
13. Accept status report on Measure D revenues

ADMINISTRATION ITEMS
14. Accept FY 2018-19 Fiscal Audit for the SCCRTC
15. Accept Fiscal Year 18/19 Measure D Annual Report

INFORMATION/OTHER ITEMS
16. Approve authorizing the Executive Director to enter into the Central Coast Coalition 2020 Memorandum of Understanding
17. Accept monthly meeting schedule
18. Accept correspondence log
19. Accept letters from RTC committees and staff to other agencies
   a. June 25, 2020 Letter to Mitch Weiss, Executive Director of the California Transportation Commission, Re: Support of Santa Cruz County CTC SB-1 Local Partnership Program Grant Application
   b. July 24, 2020 Letter to ATP Grant Selection Committee, Re: Swanton Delaware Multiuse Path
   c. July 24, 2020 Letter to ATP Grant Selection Committee, Re: Rail Trail Segment 7 Phase 2
   d. July 24, 2020 Letter to ATP Grant Selection Committee, Re: Santa Cruz Rail Trail Segment 8 and 9 Construction

20. Accept information items - none

REGULAR AGENDA

21. Commissioner reports – oral reports

22. Director’s Report – oral report
   (Guy Preston, Executive Director)

23. Caltrans report
   a. Santa Cruz County project updates

24. Update on City of Scotts Valley projects, Scotts Valley Public Works Department
   (Daryl Jodan, Public Works Director)

25. Review of items to be discussed in closed session
CLOSED SESSION

26. Conference with Real Property Negotiators (Pursuant to Government Code Section 54956.8)

Properties: Santa Cruz County Branch Railway (Tracts I and II)

Agency Negotiators: Guy Preston, Luis Mendez and Steve Mattas

Negotiating Parties: SCCRTC, St. Paul & Pacific Railroad, LLC, a subsidiary of Progressive Rail Incorporated and potential interested parties

Under Negotiation: Terms for License Agreement

27. Conference with Real Property Negotiators (Pursuant to Government Code Section 54956.8)

Properties: Portions of APN 058-072-03, 058-121-02, 058-121-03, 058-121-04, 059-012-03, 059-012-04, 059-012-05, 059-023-01, 059-023-02, 059-023-09, 059-023-10, 059-131-08, 059-023-12, 059-131-04, 059-131-06, and 059-141-10

Agency Negotiators: Guy Preston, Luis Mendez, Grace Blakeslee and Steve Mattas

Negotiating Parties: SCCRTC, California Department of Parks and Recreation, Ocean Shore Railroad, Agri-Culture, Della-Mora Trust, Trillium Enterprises, LLC, and Richard Alderson

Under Negotiation: Price and terms for acquisition of properties and easements

OPEN SESSION

28. Report on closed session

29. Next meetings

The next RTC meeting is scheduled for Thursday, September 03, 2020 at 9:00 a.m. by teleconference.

The next Transportation Policy Workshop meeting is scheduled for Thursday, September 17, 2020 at 9:00 a.m. by teleconference.
**HOW TO REACH US**
Santa Cruz County Regional Transportation Commission  
1523 Pacific Avenue, Santa Cruz, CA 95060  
phone: (831) 460-3200 / fax: (831) 460-3215

**HOW TO STAY INFORMED ABOUT RTC MEETINGS, AGENDAS & NEWS**

**Broadcasts:** Many of the meetings are broadcast live. Meetings are cablecast by Community Television of Santa Cruz. Community TV’s channels and schedule can be found online ([www.communitytv.org](http://www.communitytv.org)) or by calling (831) 425-8848.

**Remote Meetings:** On March 12, 2020, Governor Newsom issued Executive Order N-25-20, which enhances State and Local Governments ability to respond to COVID-19 Pandemic based on Guidance for Gatherings issued by the California Department of Public Health. The Executive Order specifically allows local legislative bodies to hold meetings via teleconference and to make meetings accessible electronically, in order to protect public health. The public is strongly encouraged to use the Zoom app for best reception. Prior to the meeting, participants should download the Zoom app at: [https://zoom.us/download](https://zoom.us/download). A link to simplified instruction for the use of the Zoom app is: [https://blog.zoom.us/wordpress/2018/07/03/video-communications-best-practice-guide/](https://blog.zoom.us/wordpress/2018/07/03/video-communications-best-practice-guide/).

**Remote Meeting Public Comment:** Due to current circumstances, there may be limited opportunity to provide verbal comments during the meeting. Persons who wish to address the Board for public comment or on an item on the agenda are encouraged to submit comments in writing to info@sccrtc.org by 12: noon the Monday before the meeting. Such comments will be distributed to the Board before the meeting. Members of the public participating by Zoom are instructed to be on mute during the proceedings and to speak only when public comment is allowed, after requesting and receiving recognition from the Chair.

**Agenda Packet and Documents:** Complete agenda packets are on display online at the Santa Cruz Country Regional Transportation Commission website. Documents relating to an item on the open session that are distributed to the Commission less than 72 hours prior to the meeting shall be available for public review at the RTC website. RTC contact information is as follows:

Santa Cruz County Regional Transportation Commission  
[www.sccrtc.org](http://www.sccrtc.org)  
Office is closed to the public. Employees are working remotely until further notice  
TEL: 831-460-3200  
EMAIL: info@sccrtc.org

**Newsletters:** To sign up for E-News updates on specific SCCRTC projects, go to [sccrtc.org/about/esubscriptions/](http://sccrtc.org/about/esubscriptions/)

**HOW TO REQUEST ACCOMMODATIONS FOR PEOPLE WITH DISABILITIES**
The Santa Cruz County Regional Transportation Commission does not discriminate on the basis of disability and no person shall, by reason of a disability, be denied the benefits of its services, programs, or activities. This meeting location is an accessible facility. If you wish to attend this meeting and require special assistance in order to participate, please contact RTC staff at 460-3200 (CRS 800/735-2929) at least three working days in advance of this meeting to make arrangements. People with disabilities may request a copy of the agenda in an alternative format. As a courtesy to those persons affected, please attend the meeting smoke and scent-free.

SERVICIOS DE TRADUCCIÓN/ TRANSLATION SERVICES
Si gusta estar presente o participar en esta junta de la Comisión Regional de Transporte del Condado de Santa Cruz y necesita información o servicios de traducción al español por favor llame por lo menos con tres días laborables de anticipo al (831) 460-3200 para hacer los arreglos necesarios. (Spanish language translation is available on an as needed basis.) Please make advance arrangements (at least three days in advance) by calling (831) 460-3200.

TITLE VI NOTICE TO BENEFICIARIES
The RTC operates its programs and services without regard to race, color and national origin in accordance with Title VI of the Civil Rights Act. Any person believing to have been aggrieved by the RTC under Title VI may file a complaint with RTC by contacting the RTC at (831) 460-3212 or 1523 Pacific Avenue, Santa Cruz, CA 95060 or online at www.sccrtc.org. A complaint may also be filed directly with the Federal Transit Administration to the Office of Civil Rights, Attention: Title VI Program Coordinator, East Building, 5th Floor-TCR, 1200 New Jersey Ave., SE, Washington, DC 20590.

AVISO A BENEFICIARIOS SOBRE EL TITULO VI
La RTC conduce sus programas y otorga sus servicios sin considerar raza, color u origen nacional de acuerdo al Título VI del Acta Sobre los Derechos Civiles. Cualquier persona que cree haber sido ofendida por la RTC bajo el Título VI puede entregar queja con la RTC comunicándose al (831) 460-3212 o 1523 Pacific Avenue, Santa Cruz, CA 95060 o en línea al www.sccrtc.org. También se puede quejar directamente con la Administración Federal de Transporte en la Oficina de Derechos Civiles, Atención: Coordinador del Programa Título VI, East Building, 5th Floor-TCR, 1200 New Jersey Avenue, SE, Washington, DC 20590.
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Draft MINUTES

Thursday, June 29, 2020
9:00 a.m.

NOTE: Teleconference
Community TV ZOOM
WEB: https://us02web.zoom.us/j/88030354801
Dial-in number (US): +1-669-900-6833
Webinar ID: 880 3035 4801

1. Roll call.

The meeting was called to order at 9:01 a.m.

Members present:
Jacques Bertrand  John Leopold
Sandy Brown      Bruce McPherson
Aurelio Gonzalez Ed Bottorff
Randy Johnson   Mike Rotkin
Trina Coffman-Gomez  Patrick Mulhearn (alt)
Greg Caput   John Olejnik (Ex-Officio) (alt)
Andy Schiffrin (alt)

Staff present:
Luis Mendez      Guy Preston
Yesenia Parra    Shannon Munz
Krista Corwin    Tracy New
Tommy Travers    Rachel Moriconi
Grace Blakeslee Keith Rayburn
Amy Naranjo      Sarah Christensen
Ginger Dykaar
Steve Mattas (Legal)
2. Oral communications.

Received public comment from:
Sally Arnold
Barry Scott
Michael Saint
Lowell Hurst
Keith Otto
Brian Peoples

In response to comments from a member of the public, Chair McPherson clarified that Commissioner Friend has recused himself from decisions regarding the Santa Cruz Branch Rail Line (SCBRL) and that his alternate on the Commission is Patrick Mulhearn.

3. Additions or deletions to consent and regular agendas.

There was a handout for item 8 and item 16, and a replacement page for item 21.

CONSENT AGENDA

Commissioner Alternate Schiffrin moved and Commissioner Rotkin seconded the motion to approve the consent agenda. The motion passed with Commissioners Rotkin, Gonzalez, McPherson, Leopold, Caput, Brown, Bertrand, Bottorff, Coffman-Gomez and Commissioner Alternate Schiffrin and Mulhearn voting “aye,” and Commissioner Johnson voting “no.”

Received public comment from:
Sally Arnold, Board Chair of Friends of the Rail and Trail

MINUTES

4. Accepted draft minutes of the May 21, 2020 Interagency Technical Advisory Committee meeting.

5. Approved draft minutes of the June 4, 2020 Regional Transportation Commission meeting.

6. Accepted draft minutes of the June 8, 2020 Bicycle Advisory Committee meeting.

POLICY ITEMS

None
PROJECTS and PLANNING ITEMS

7. Approved authorizing Executive Director to enter into a contract for Janitorial Services on the Santa Cruz Branch Rail Line (Resolution 123-19)

8. Rejected bid for the repairs to storm damage site 7 on the Santa Cruz Branch Rail Line.

9. Approved authorizing the Executive Director to enter into an On-Call Engineering contract for Slope Failure Repair near Manresa State Beach along the Santa Cruz Branch Rail Corridor (Resolution 124-19)

10. Approved authorizing the Executive Director to enter into a Master Agreement for on-call services with Ninyo & Moore to provide soil investigation and environmental engineering services associated with development of the Monterey Bay Scenic Sanctuary Trail (MBSST) and work on the Santa Cruz Branch Rail Line (Resolution 125-19)

BUDGET AND EXPENDITURES ITEMS

None

ADMINISTRATION ITEMS

11. Approved Amendment to the Regional Transportation Commission’s Administrative and Fiscal Policies Section 5 and Human Resource Policies Section 13

INFORMATION/OTHER ITEMS

12. Accepted monthly meeting schedule.

13. Accepted correspondence log.

14. Accepted letters from RTC committees and staff to other agencies. None

15. Accepted information items. None

REGULAR AGENDA

16. Commissioner reports

Commissioner Rotkin announced that Metro service has increased slightly in capacity to address the public need for transit to workplaces and health facilities, and that additional safety precautions have been taken to prevent the spread of COVID-19 on Metro buses.
Commissioner Coffman-Gomez announced that the City of Watsonville unanimously passed a resolution (Handout for item 16) supporting passenger rail service on the Santa Cruz Branch Rail Line and encouraged development to begin in Watsonville.

Commissioner Gonzalez expressed support for the City of Watsonville’s resolution.

17. Director’s Report

Executive Director Preston delivered a statement of remembrance for three dedicated civil servants who recently passed away: Santa Cruz County Sheriff’s Deputy Sgt. Damon Gutzwiller, former Santa Cruz County Analyst Allison Endert, and former Senior Transportation Planner for the RTC Tegan Speiser.

Commissioners Leopold, McPherson, and Rotkin, Deputy Director Luis Mendez, and Senior Transportation Planner Ginger Dykaar offered words honoring the memories of the deceased. The Commission also heard from Sabin Speiser, brother of Tegan, and a moment of silence was observed.

Received public comment from:
Michael Saint

18. Caltrans report

John Olejnik delivered the project updates for Santa Cruz County. In response to a comment from a member of the public, Mr. Olejnik clarified the land use and transportation project deadlines for adopting changes to CEQA guidelines as mandated by SB743.

Mr. Olejnik also reported on joint enhanced litter clean-up efforts by Caltrans and California Highway Patrol. Litter pollutes the environment, posing dangers to waterways and wildlife and increases the risk of wildfires. Caltrans reminds the public to dispose of trash properly.

He also noted that work continues on Highway 9 pedestrian enhancements.


Transportation Planner Amy Naranjo delivered the staff report.

Commissioners urged drivers to slow down to reduce collisions and encouraged cooperation with Caltrans to move safety projects forward.
In response to a Commissioner’s question, Sgt. Troy Vincent noted collision hot spots, safety improvements, and additional enforcement criteria.

In response to a Commissioner’s question, Ms. Naranjo provided additional data on average daily trips (ADT).

Received public comment from:
Heidi Owens, Candidate for Town Council in Los Gatos
Michael Saint

In response to questions from members of the public, Sgt. Troy Vincent provided rationale for methods of traffic enforcement; Commissioners discussed findings from an early feasibility study of rail transit on Highway 17 and Deputy Director Luis Mendez provided historical information regarding the question of increasing capacity on Highway 17.

20. Fiscal Year (FY) 2020-21 Budget Amendment

Director of Budget and Finance Tracy New presented the recommendations of the Budget and Administration/Personnel Committee and staff.

In response to Commissioner questions, Director New confirmed budget reductions to recipients; clarified the amount remaining in the RTC’s reserve and the date of the next Budget & Administration/Personnel meeting scheduled for August 13, 2020.

Received public comment from:
Brian Peoples, Trail Now
Piet Canin, Ecology Action
Michael Saint

Commissioner Leopold moved the staff recommendations and Commissioner Alternate Schifferin seconded the motion to:

1. Adopt a resolution approving the proposed FY 2020-21 RTC and Measure D budget amendments as shown on Exhibit A of Attachment 1;
2. Accept the revised Measure D revenue forecast for FY 2020-21 provided by HdL Services;
3. Accept the revised 30-year revenue projection; and
4. Accept the revised 5-year revenue estimates for the Measure D recipients.
The motion passed unanimously with Commissioners Rotkin, Gonzalez, Bottorff, McPherson, Leopold, Caput, Coffman-Gomez, Johnson, Brown, Bertrand and Commissioner Alternates Mulhearn and Schiffrin voting “aye.”

21. Consultant Contract Award for Preparation of a Right-of-way Boundary Survey & Encroachment Identification along the Santa Cruz Brach Rail Corridor

Senior Transportation Planner Grace Blakeslee presented the staff report.

Received public comment from:
Brian Peoples, Trail Now
Carey Pico
Sally Arnold, Board Chair of Friends of the Rail and Trail
Barry Scott, Board Member, Coastal Rail Santa Cruz
Heidi Owens

In response to a Commissioner’s question, Ms. Blakeslee responded that Phase 1 of segments 8-12 is expected to be completed by the end of this calendar year and Phase 2 will extend into 2021.

In response to comments from a member of the public, Executive Director Guy Preston confirmed that the plan to build a trail along the Santa Cruz Branch Rail Line is consistent with the RTC’s purchase of the right-of-way.

Commissioners discussed: uncertainty about Phase 2 costs; the question of legitimate transportation uses of the right-of-way and directed staff to provide the Commission with a plain-language document to clarify the issue for the public.

Commissioner Alternate Schiffrin moved and Commissioner Rotkin seconded the motion to approve the staff recommendations to adopt a resolution to:

1. Authorize the Executive Director to negotiate and execute an agreement with RRM Design Group in the amount not to exceed $183,170 and a term ending on December 31, 2021 to prepare a boundary survey and identify encroachments along the Santa Cruz Branch Rail Line between the San Lorenzo River and Rio Del Mar Boulevard and aerial imagery for segments 8 through 12 and

2. Amend the Measure D 5-year program of projects for the Active Transportation/MBSST-Rail Trail category to add $183,170 to the corridor encroachments and maintenance line for this contract; and

3. Amend the FY 2020-21 budget for MBSST to add $183,170 to the professional services line for this contract.
The motion passed unanimously with Commissioners Bertrand, Brown, Johnson, Coffman-Gomez, Caput, Leopold, McPherson, Bottorff, Gonzalez, Rotkin, and Commissioner Alternates Schiffrin and Mulhearn voting “aye.”

22. Review of items to be discussed in closed session.

RTC Legal Counsel Steve Mattas communicated that there would be no report of action taken in closed session. Any changes will be reported in the minutes. Chair McPherson adjourned the open session meeting at 10:48 a.m.

**CLOSED SESSION**

23. Conference with Real Property Negotiators (Pursuant to Government Code Section 54956.8)

Properties: Santa Cruz Branch Railroad Right of Way Line between MP 0.433 and MP 31.39

Agency Negotiators: Guy Preston, Luis Mendez and Steve Mattas

Negotiating Parties: SCCRTC, St. Paul & Pacific Railroad, LLC, a subsidiary of Progressive Rail Incorporated and potential interested parties

Under Negotiation: Price and terms for license agreement

24. Conference with Legal Counsel – Anticipated Litigation (Pursuant to Government Code Section 54956.9(d)(4))

Initiation of litigation: One Case

25. Report on closed session

The Commission concluded the closed session at 12.25 p.m.

With regards to the closed session for agenda item 23, the Commission reports that Progressive Rail has notified the Commission of their intention to terminate the ACL agreement with SCCRTC; the Commission provided direction to its negotiating representatives; and the Commission does not intend to consider any alternatives until after the completion of the Transit Corridors Alternative Analysis.

Also, there was no reportable action related to the closed session for agenda item 24.
26. Next meetings

The next RTC meeting is scheduled for Thursday, August 06, 2020 at 9:00 a.m. by teleconference.

The next Transportation Policy Workshop meeting is scheduled for Thursday, August 20, 2020 at 9:00 a.m. by teleconference.

Respectfully Submitted,

Yesenia Parra
Administrative Services Officer
Attendees:

Barry Scott  
Sally Arnold  
Michael Saint  
1-(831)-***-1847  
432002

Aaron Silver  
Brian  
David Van Brink  
Heather Adamson, AMBAG  
Howard Cohen  
Johanna Lighthill  
Keith Otto  
Laura Giorgi  
Michael Pisano  
Paul Brooks CPUC  
Piet Canin  
RSA  
John Urgo  
Mike Sherrod  
S140964  
Jack Brown  
Sabin Speiser  
Tara Speiser  
Wondimu Mengistu  
Sgt. Troy Vincent  
Carey Pico  
Heidi Owens  
Jeanette  
Jim Helmer  
1-(831)-***-2915  
Susan Cavalieri  
Theresa Rogerson
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RECOMMENDATIONS

Staff recommends that the Regional Transportation Commission (RTC) approve the attached (Attachment 1) revised policies for leases, licenses, rights of entry and encroachments for the Santa Cruz Branch Rail Line (Branch Line) right-of-way (ROW).

BACKGROUND

In October of 2012, the Regional Transportation Commission (RTC) acquired the Santa Cruz Branch Rail Line (Branch Line). With this acquisition, the RTC inherited all of the corresponding real estate rights, property improvements, encumbrances, responsibilities and leases. In 2014, the RTC worked with the Santa Cruz County Real Property Division and RTC Legal Counsel to develop policies for leases, licenses and rights of entry for the Santa Cruz Branch Rail Line. In August 2014, the RTC approved those policies. The policies were last updated in 2018.

DISCUSSION

With the purchase of the Branch Line, the RTC inherited existing land leases generating a little over $60,000 in revenue per year. Consistent with state law and agreements, the revenues from these leases as well as any licenses and rights of entry are incorporated into the RTC budget to help pay for expenses associated with the Branch Line ROW. These include insurance, vegetation control, drainage maintenance, general clean up, and property management services.

The Santa Cruz County Real Property Division and RTC Legal Counsel reviewed the original policies for leases, licenses and rights of entry on the Branch Line before RTC’s adoption in August 2014. In August 2018, the RTC approved updated policies, and RTC staff have been using these approved RTC policies to manage use of the Branch Line. The RTC had been contracting with the Santa Cruz County Real Property Division of the Public Works Department for property
management services. In 2019, RTC entered into contracts for professional services with Associated Right of Way Services, Inc (AR/WS) and RailPros. Both firms assisted RTC staff in drafting another update to the Branch Line policies. These policies allow the RTC to:

- Fulfill its purposes in purchasing the Branch Line;
- Meet all laws, regulations and requirements applicable to the RTC’s ownership of the Branch Line;
- Protect the interests of the RTC and the public;
- Increase revenues to help ensure that the Branch Line is a good and sound community asset;
- Allow uses of the property that are useful to the community and do not interfere with or unduly burden the transportation uses, the RTC or the rail service operator;
- Align the Executive Director’s authority to approve leases, licenses, and rights of entry to be consistent with the RTC approved procurement authority (currently $50,000); and
- Lawfully remove encroachments onto Branch Line property that are not approved leases.

The revisions (shown in underline and strike-out format) to the policies update and clarify language, and more fully address encroachments. Therefore, staff recommends that the RTC approve the attached (Attachment 1) revised policies for leases, licenses rights of entry, and encroachments for the Branch Line ROW.

SUMMARY

With the purchase of the Branch Line, the RTC inherited a number of leases and licenses. In August 2014 and August 2018, the RTC approved policies to govern uses of the Branch Line ROW with leases, licenses and rights of entry. It is necessary to update and clarify language and include new language to more fully address encroachments. RTC staff recommends that the RTC approve the revised policies for leases, licenses, rights of entry, and encroachments for the Branch Line (Attachment 1).

Attachments:

1. Revised Policies for Leases, Licenses, Rights of Entry, and Encroachments for the Santa Cruz Branch Line Right-of-Way
Background

Purpose for Purchase of Branch Line

The Regional Transportation Commission (RTC) purchased the Santa Cruz Branch Rail Line (Branch Line) right-of-way (ROW) to:

- preserve it as a transportation corridor;
- continue existing freight and recreational rail service;
- facilitate increased freight and recreational rail service;
- explore passenger rail service options;
- construct a bicycle and pedestrian trail alongside the track where feasible; and
- maximize its use as a transportation corridor.

Funding for Purchase of Branch Line

The purchase of the Branch Line right-of-way was facilitated by funding from Proposition 116 of 1990, which provided Santa Cruz County with $11 million to use for “rail projects within Santa Cruz County which facilitate recreational, commuter, intercity and intercounty travel.” The California Transportation Commission (CTC) developed policies and requirements for projects funded with Proposition 116 funds. The CTC imposed certain conditions on its approval of Proposition 116 funds for purchase of the Branch Line right-of-way. The Proposition 116 funds were provided through a master funding agreement and a program supplement agreement with the State of California and administered by Caltrans.

Rail Service Operations for Branch Line

When the RTC purchased the Branch Line ROW, Union Pacific retained an easement for freight operations. That easement was transferred to the shortline freight and recreational rail operator selected by the RTC for the Branch Line. Over time, as the RTC selects new or replacement rail operators that easement is expected to be transferred to that operator. The Surface Transportation Board (STB) designates the RTC selected rail operator as the common carrier for freight service on the Branch Line, as long as the operator meets the requirements of the STB. The RTC enters into an administration, coordination and license (AC&L) agreement with the selected rail operator. That agreement outlines the responsibilities of the operator and provides the operator with a license to operate recreational passenger rail service on the Branch Line. There are a
number of operating agreements for the rail line including crossing agreements and a trackage rights agreement with Santa Cruz Big Trees and Pacific Railway. Rail operations on the Branch Line are governed and inspected by the Federal Railroad Administration (FRA) and the California Public Utilities Commission (CPUC) to help ensure safety.

RTC Planning Documents Affecting Branch Line

The RTC adopts every 4 or 5 years a regional transportation plan with projects on the Branch Line. The RTC also completed a master plan and environmental document for the Monterey Bay Sanctuary Scenic Trail Network (MBSST), which includes as its spine a trail on the Branch Line right-of-way alongside the operating track, which is referred to as the Coastal Rail Trail. In addition, the RTC has completed a passenger rail service feasibility study for the rail line, a Unified Corridor Investment Study that includes the Branch Line ROW, and is in the process of completing a Transit Corridor Alternatives Analysis for the Branch Line ROW. The RTC may undertake other studies which may affect the Branch Line ROW.

Policies for Leases, Licenses, Encroachments and Rights of Entry on the Rail Line ROW

The RTC currently manages several long-term leases of the Branch Line for various uses including parking, storage, and related uses. A lease analysis completed in 2009 concluded that most of the existing leases that were assumed by the RTC at the time of the purchase are significantly below market rate and in need of an update. The RTC periodically receives requests for updates to existing leases and additional long-term leases on the Branch Line. The Branch Line also includes licenses for pipelines, crossings, etc. In addition, the RTC regularly receives requests for temporary use of the Branch Line, primarily for construction staging, utility crossings, and road construction projects that impact or cross the Branch Line. The RTC manages these requests by granting temporary rights of entry for use of its property consistent with authorization given to the Executive Director by the RTC Board under these policies in December 2012 for agreements affecting the Branch Line that are no more than $10,000 per year. Finally, the RTC is working with public entities who are implementing new capital projects within the Branch Line property, including especially the various segments of the MBSST.

The following policies shall apply to all leases, licenses, encroachments and rights of entry managed and/or issued by the RTC:

1. Leases, licenses, rights of entry and encroachments on the Santa Cruz Branch Rail Line right-of-way shall be consistent with:
   a. The RTC’s purpose for purchasing the right-of-way;
b. Funding requirements of Proposition 116, the California Transportation Commission, and agreements with the State;

c. Rail service operations and safety requirements of the STB, the FRA, the CPUC, agreements with the shortline rail operator, licenses and other agreements and arrangements affecting railroad operations;

d. Standards of the American Railway Engineering and Maintenance of Way Association (AREMA)

e. The RTC’s Regional Transportation Plan for Santa Cruz County;

f. The RTC master plan for the Monterey Bay Sanctuary Scenic Trail Network MBSST;

g. Measure D and Measure D policies outlined in the Measure D Strategic Implementation Plan (SIP) for improvements funded by Measure D;

f-h. RTC policies for capital projects implemented by others within the Branch Line right-of-way and any associated agreements for implementation and maintenance of such projects;

g-i. Plans developed by the RTC for high capacity transit passenger rail service or other uses on the Branch Line; and

All applicable federal, state and local laws and regulations. Measure D policies outlined in the Measure D Strategic Implementation Plan (SIP) for improvements funded by Measure D.

j. Capital Projects Implemented by Others along the Branch Line:

For capital projects in the Branch Line property MBSST projects implemented by public entities, including especially MBSST projects, the RTC and public entity shall negotiate enter into a Cooperative Agreement(s) to cover all obligations and responsibilities for all components of project implementation. Included will be a Maintenance Agreement shall be in place prior to advertisement of the construction project specifying property maintenance responsibilities.

For capital projects implemented by others, the RTC and entity shall enter into a right of entry agreement for preconstruction and construction activities requiring access to the Branch Line property. A maintenance agreement, lease, or license shall be in place prior to advertisement of the construction project specifying property maintenance responsibilities.

2. To ensure that there is no gift of public funds, new and updated leases shall be at market rate defined as:

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations; the lessee and lessor each acting prudently and knowledgeably, and assuming consummation of a lease contract as of a specified date and the passing of the leasehold from lessor to lessee under conditions whereby:
Lessee and lessor are typically motivated;
Both parties are well informed or well advised, and acting in what they consider their best interests, which can be aided by the production of a market rental rate survey or formal appraisal utilized during negotiations;
A reasonable time is allowed for exposure in the open market;
The rent payment is made in terms of cash in U.S. dollars, and is expressed as an amount per time period consistent with the payment schedule of the lease contract; and
The rental amount represents the normal consideration for the property leased unaffected by special fees or concessions granted by anyone associated with the transaction.
A market rental rate survey or formal appraisal has been conducted and utilized during negotiations.

3. The RTC shall use closed sessions consistent with the Brown Act to direct its lease negotiators regarding updated and new leases.

4. Leases (new and updated), licenses and rights of entry for a one-time or an annual amount exceeding the Executive Director’s procurement authority for a single transaction, as established in the RTC’s Administrative and Fiscal policies, $10,000 per year shall be presented to the RTC for consideration in public session and the Executive Director is authorized to approve others.

5. There shall be a public review period of lease terms and conditions of at least 21 days prior to approval of a lease or lease update to give all responsible persons the opportunity to make credible and responsible offers with better lease terms and conditions to the RTC.

6. Leases shall include terms for escalation of rental rates consistent with market conditions.

7. Every five years, the RTC shall review existing leases to ensure that the rent is at market rates and for any leases found to be below market rates, the RTC shall work to update them to market rates based on a market rental rate survey, or formal appraisal or other appropriate information.

8. Leases shall include a termination clause to ensure that leases will not unduly impact the development of transportation projects on the Branch Line right-of-way. Licenses and rights of entry that could potentially impact planned transportation projects on the Branch Line right-of-way due to length of term, purpose, etc. shall also include a termination clause.

9. Licenses and rights of entry shall include fees to the RTC and the rail service operator as applicable to reimburse the RTC and rail service operator for their cost to provide such right of entry in addition to a determined or
negotiated market rate for the right of use provided by the license or right of entry.

10. Any lease, license, or right of entry that also crosses or otherwise impacts the rail service operator’s easement or operations shall require review and acknowledgement by the rail operator.

11. If the license or right of entry will provide a service to the RTC benefiting its ownership, management, maintenance, improvement or operation of the Branch Line right-of-way, fees may be reduced or waived by the RTC.

12. Leases and rights of entry shall include appropriate indemnification to the RTC and the rail service operator as applicable.

13. Rights of entry shall include appropriate insurance requirements to protect the interests of the RTC and the rail service operator as applicable.

14. Leases, licenses, and rights of entry shall include prohibition against any alteration of RTC property except as approved by the corresponding lease, license, or right of entry. *Lessees shall not install any other fixtures, machinery, equipment, partitions, alterations, improvements, additions, signs, and utility installations (carpeting, window covering, air lines, power panels, electrical distribution systems, lighting fixtures, space heaters, air conditioning, plumbing, and fencing, etc.) of any kind unless Lessee has obtained Lessor’s prior written consent and secured the proper and necessary permits from the appropriate government agency(s).*

14. *Leases shall require lessee to install a fence between leased property and the tracks, consistent with all applicable RTC, local, state and federal requirements for such installation, with the exception of landscaping leases which, if lacking a fence, must at a minimum require notification to and permission from the rail service operator prior to every entry into areas closer than 25 feet from the center line of any track.*

15. Rights of entry and licenses shall include a requirement for notification of the rail service operator prior to entering the property as authorized.

16. Revenues from leases, licenses and rights of entry shall be used to cover costs of the RTC to negotiate, produce and implement such leases, licenses and rights of entry and for costs associated with the RTC’s responsibility to manage, maintain, operate and improve the Branch Line as established in the funding agreements with the State.

17. Any encroachments onto the Branch Line shall be resolved by removal of the encroachment or conversion of the encroachment to a long-term lease, license or right of entry.
18. As resources allow and needs arise, the RTC will work to identify and address encroachments on the Branch Line ROW. Encroachments may also be brought to the attention of the RTC or discovered inadvertently.

19. Identification and addressing of encroachments shall prioritize focus on encroachments which:

   a. Impact the uses, operations, inspections and maintenance of the Branch Line ROW;
   b. Impact the implementation of projects by the RTC or RTC partner agencies on or in the vicinity of the Branch Line ROW; and/or
   c. Impact liabilities to the RTC.

20. Encroachments that are not the subject of an approved lease, license or right of entry in accordance with this Policy are not permitted, and are subject to removal in accordance with applicable law. Depending on the nature of the encroachment, and at the sole discretion of the RTC, options may include:

   a. Immediate removal;
   b. Removal within a specified period of time;
   c. Possible modifications to the encroachment; and/or
   d. Development of a lease, license, or right of entry at Fair Market Value.

RTC staff will use available resources to identify and prioritize all existing unauthorized encroachments and uses. With regard to each encroachment, RTC staff will gather relevant available information. Where any current use of the right of way property is not permitted, RTC staff will obtain ownership information of the encroaching party and survey information of the encroachment, if necessary. RTC staff will notify the adjacent owner/encroacher that the use is not authorized, and such notice will identify the option or options available to the adjacent property owners/encroachers, consistent with an administrative procedure, acceptable to the Executive Director.

Administrative procedures for addressing encroachments will include attempts to resolve the encroachment through follow-up contact with the adjacent property owners/encroachers by RTC staff. The RTC shall establish an Internal Encroachment Review process Committee (IERC) for the purpose of providing an administrative review of and proposed resolution to encroachments that may not be resolved via contacts between the RTC and the adjacent property owners/encroachers. Should administrative procedures fail or reach impasse, RTC staff will, working with Legal, avail itself of any available remedies, including but not limited to self-help remedies and/or litigation. In particular, where the encroachment consists of trees, crops, or vegetation, or the owner of the encroachment is unknown, RTC staff may determine to cause the removal of the encroachment following notice (posting and/or mail) of the date set for
removal without first requesting that the removal be performed by adjoining property owners. RTC staff will make every effort to recover the costs of such removal from the adjacent owners/encroachers.

To prevent the damage to or unauthorized use of encroachment upon the right of way, the RTC may install fences or barricades and other barriers where prudent or necessary as authorized by the Executive Director after consultation with Legal. RTC staff shall have broad discretion and authority to cause the installation of fences, barricades, and other barriers along the right of way in any location deemed necessary or prudent.

21. For areas that should be fenced as determined by RTC staff:

   a. RTC staff will gather relevant, available information to confirm the location of the applicable RTC property boundaries.

   b. RTC staff will notify neighboring property owners in advance of the decision to install fences, barricades, and other barriers in the specified area.

   c. RTC staff will cause the fences, barricades, and other barriers to be installed in the specific locations at the times specified in the notice to the property owners.
AGENDA: August 6, 2020

TO: Regional Transportation Commission (RTC)

FROM: Rachel Moriconi, RTC Transportation Planner

RE: Regional Transportation Improvement Program (RTIP)
Amendment: Bike Santa Cruz County Project PASEO Scope

RECOMMENDATIONS

1. The Bicycle Committee and staff recommend that the Regional Transportation Commission (RTC) adopt a resolution (Attachment 1) amending the Regional Transportation Improvement Program (RTIP) to approve Bike Santa Cruz County’s request to use $20,000 in Regional Surface Transportation Program Exchange (RSTPX) funds previously designated for two Open Streets events originally scheduled for 2020 to a proposed Slow Streets program (Attachment 2) instead.

2. Staff recommends that approval of this scope change be contingent on local jurisdictions having sufficient staff to participate in planning and implementation and Bike Santa Cruz County working to address concerns raised by public works departments.

BACKGROUND

The Santa Cruz County Regional Transportation Commission (RTC), as the state-designated Regional Transportation Planning Agency (RTPA) for Santa Cruz County, is responsible for selecting projects to receive certain state and federal funds, including Regional Surface Transportation Program Exchange (RSTPX) funds. Projects programmed to receive RSTPX funds are programmed in the Regional Transportation Improvement Program (RTIP). The RTC amends the RTIP periodically to reflect updated project scope, schedule, cost, and other project information. On February 6, 2020, the Regional Transportation Commission programmed $100,000 in RSTPX funds to the Bike Santa Cruz County Project PASEO, which includes Open Streets, Earn-a-Bike and Pop Up Bike Lane programs.

DISCUSSION

The COVID 19 health crisis has made it difficult for agencies to implement some projects and programs as originally envisioned. Some grant recipients
are needing to modify their programs from what was originally approved by the RTC in order to support physical distancing and to reduce the spread of the coronavirus. For Bike Santa Cruz County, this included canceling two Open Streets events in 2020, modifying the Earn-a-Bike program to be digital until shelter-in-place is lifted and youth are back at schools, and postponing pop-up-bike lane projects in Watsonville and on 17th Ave near Shoreline Middle School. The $100,000 RSTPX grant funds previously programmed by the RTC were originally intended to implement all 3 components over 1.5 years. Bike Santa Cruz County has requested to amend the scope of its Project PASEO program to allow $20,000 of the $100,000 in RSTPX previously anticipated to be spent on two of five Open Streets events to be used to implement a new Slow Streets program (Attachment 2).

As people have sheltered-in-place, there has been a surge in biking and walking nationwide. In an effort to reduce transmission of the coronavirus and in consideration that some level of social distancing may be needed for one or two years, in some areas, public entities have increased spaces for walking and biking, closed some roads to through traffic, modified street designs, modified transit operations, converted parking to outdoor dining areas, and modified other transportation infrastructure to ensure the public can move around safely and to address potential longer term changes in travel behaviors.

At its June 8, 2020 meeting, the Bicycle Committee voted to recommend that the RTC approve Bike Santa Cruz County’s request to use some of the funds previously approved for Project PASEO for a Slow Streets program.

While local Public Works Departments are generally supportive of Slow Streets concepts and have made modifications to some local streets and roads, since public works departments are facing significant budget shortfalls and staffing constraints due to the fallout of COVID-19, some agencies have limited time to focus on Slow Streets efforts. If the RTC approves this amendment to the Regional Transportation Improvement Program (RTIP) (Resolution - Attachment 1), staff recommends that approval be contingent on Bike Santa Cruz County working to address concerns from public works departments. A list of some of the concerns that have been raised by public works departments is included as Attachment 3.
FISCAL IMPACT

The Regional Transportation Improvement Program (RTIP) will need to be amended to reflect the updated scope of Bike Santa Cruz County’s Project PASEO. This does not change the total amount of funding programmed to Bike Santa Cruz County’s Project PASEO and therefore does not require a budget amendment.

SUMMARY

Bike Santa Cruz County has proposed to modify the scope of its RSTPX-approved Project PASEO to include a Slow Streets component, using $20,000 previously expected to be used on Open Streets on Slow Streets instead. This scope change requires an amendment to the Regional Transportation Improvement Program (RTIP).

ATTACHMENTS

1. Resolution
2. Slow Streets Proposal
3. Concerns from Public Works Departments
RESOLUTION NO.

Adopted by the Santa Cruz County Regional Transportation Commission on the date of August 6, 2020 on the motion of Commissioner duly seconded by Commissioner

A RESOLUTION AMENDING THE 2020 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM FOR SANTA CRUZ COUNTY TO MODIFY PREVIOUSLY PROGRAMMED PROJECTS

WHEREAS, the Santa Cruz County Regional Transportation Commission (RTC) is responsible for programming and monitoring the use of various state and federal transportation funding sources and adopts a Regional Transportation Improvement Program consistent with the Santa Cruz County Regional Transportation Plan (RTP), state law (including SB 45) and the California Transportation Commission’s (CTC) State Transportation Improvement Program (STIP) Guidelines, and in consultation and cooperation with local project sponsors, Caltrans District 5, and RTC advisory committees;

WHEREAS, the RTC amended the 2020 Regional Transportation Improvement Program (RTIP) and RTC budget to program $100,000 of the region’s share of Regional Surface Transportation Program Exchange (RSTPX) funds to Bike Santa Cruz County’s Project PASEO on February 6, 2020;

WHEREAS, Open Streets events planned for 2020, which were originally included as part of the scope of the Project PASEO, have been canceled or postponed due to the coronavirus;

WHEREAS, there has been an increase in biking and walking and a desire to provide additional space to allow for physical distancing while walking or biking in order to minimize transmission of the coronavirus;

WHEREAS, the RTC is responsible for amending the Regional Transportation Improvement Program (RTIP) to reflect accurate project scope, schedule and cost; and

WHEREAS, the RTC is the agency responsible for assuring that the regional shares of RSTPX funds are programmed and expended according to Caltrans guidelines and agreements;

THEREFORE, BE IT RESOLVED BY THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION:
1. The *Regional Transportation Improvement Program for Santa Cruz County* is hereby amended to modify the scope of the Bike Santa Cruz County Project PASEO to include Slow Streets and reduce the number of Open Street events.

AYES: COMMISSIONERS

NOES: COMMISSIONERS

ABSTAIN: COMMISSIONERS

ABSENT: COMMISSIONERS

__________________________
Bruce McPherson, Chair

ATTEST:

__________________________
Guy Preston, Secretary

*Distribution: Bike Santa Cruz County, RTC Programming and Fiscal*

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PROJECT PASEO - SCOPE OF WORK AND BUDGET MODIFICATION RSTPX FUNDING

Project Summary

1. Component: Project PASEO: SLOW STREETS Santa Cruz County

2. Implementing Entity: Bike Santa Cruz County Education Fund

3. Brief Description
The Slow Streets program aims to address public health concerns during the COVID-19 pandemic by creating more public space for Santa Cruz County residents to practice physical distancing while safely and comfortably biking, walking, and exercising in their community.

4. Summary of Project Purpose
Santa Cruz County has a disproportionately high rate of bicycle and pedestrian injuries and fatalities, ranking among the worst for all California counties. Bike Santa Cruz County has been supporting the Community Traffic Safety Coalition’s campaign to get local governments to adopt Vision Zero policies towards reducing all traffic-related serious injuries and deaths to zero. Watsonville City Council recently voted unanimously to move forward with their Vision Zero resolution. As is evidenced by the local and regional “Street Smarts” campaigns, providing our community members of all ages with multiple opportunities for learning how to walk and bike safely is a distinct public health and safety need.

Slow Streets, like Open Streets, will benefit active transportation awareness, safety and confidence in communities and for community members. **The purpose of Slow Streets is to** - promote physical activity and health, promote a culture of bicycling and walking, and foster community, civic pride and improved quality of life

**The need for Slow Streets:** - to increase safety of and access to neighborhood roadways for users of all ages, abilities and modes, increase access to public space, such as neighborhood streets, generally reserved for vehicles, to accommodate physical distancing requirements due to COVID-19 related public health orders. Sidewalks were not made to support physical distancing.

**The positive effects of Open Streets** Mental and physical health benefits of increased access to outdoor exercise, building confidence in one’s ability to walk, bike or roll for more than exercise, but as a sustainable form of everyday transportation.

5. Funds Requested
$20,000 (shifted from previously approved Project PASEO: Open Streets component)

6. Matching Funds
Slow Streets: Donations = $650, In Kind Materials - $790, Volunteer hours - 80 hours @ $11/hr = $880 (Total =$2,320)

7. Schedule
Summer 2020 - Spring 2021

8. # Daily Users Served
Depending of numbers of slow streets implemented. Approximately 35-50 people per day, per street.
**BACKGROUND:**

With the cancellation of Bike Santa Cruz County’s 2020 signature Open Streets events in both Santa Cruz and Watsonville, staff sought a means to provide a similar experience for County residents that would serve many of the same benefits as Open Streets events while maintaining compliance with the County Public Health Orders related to COVID-19. Seeing the impact and effects of the Slow Streets movement across the state, the country and the globe, BSCC staff began to formulate a proposal for the County of Santa Cruz and its jurisdictions. Bike Santa Cruz County Staff has been working with The City of Santa Cruz’s Traffic and Public Works Commission members, City of Watsonville Staff and with County Supervisor Leopold’s staff to plan, promote and implement temporary Slow Streets pilot projects in Santa Cruz County and interested jurisdictions within the County.

**WORKPLAN & TIMELINE:**

<table>
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<tr>
<th>April 2020 to present</th>
<th>Research slow streets programs in cities across the State, Country and globe. Engage stakeholders at city and county level. Engage community members across the County. Develop proposal and budget for slow streets in Santa Cruz County and jurisdictions. Work with city and county staff to fine tune plan/proposal for specific area. Increase community outreach. Develop webpage, surveys, street selection criteria, and protocols.</th>
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<tr>
<td>August 2020</td>
<td>Launch Slow Streets Webpage and street nomination procedure for Pleasure Point. Increase community outreach, information campaign and publicity (per Public Health guidelines) Continue to develop addendum for Watsonville's Neighborhood Streets Plan to include Slow Streets. Define and develop signage and messaging specifics for barriers and/or street notifications. Complete necessary permits, secure necessary signage. Work with neighborhood leads and volunteers to inform community members and create information networks in interested County areas. Take proposal to County Supervisors for approval.</td>
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<td>September 2020</td>
<td>Analyze nomination results for Pleasure Point and Live Oak. Work with County Public Works staff to assess feasibility and make selections for Pilot Slow Streets Project, roll out Phase I pilot streets. Staff report for Watsonville City Council approval of Slow Streets, Define and develop signage and messaging specifics for barriers and/or street notifications. Launch Slow Streets Webpage and street nomination procedure for Watsonville. Increase community outreach, information campaign and publicity (per Public Health guidelines) Complete necessary permits, secure necessary signage. Work with neighborhood leads and volunteers to inform community members and create information networks in Watsonville. Conduct virtual Community meetings and in limited person or phone conversations as deemed by current Public Health directives.</td>
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<tr>
<td>October 2020</td>
<td>Analyze nomination results for Watsonville. Work with Public Works staff to assess feasibility and make selections for Pilot Slow Streets Project, roll out Phase I pilot streets in Watsonville. Continue to monitor and communicate with neighbors in Live Oak Slow Streets areas. Collect feedback and refine processes and procedures. Roll out Phase II in Live Oak or other unincorporated area of SC County.</td>
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<tr>
<td>Winter 2020</td>
<td>Work with City and County Public Works staff to assess success of Slow Streets project. Assess need, challenges, barriers. Monitor usage with regards to COVID 19 impacts and survey residents. Conduct virtual Community meetings</td>
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<tr>
<td>Spring 2021</td>
<td>Outreach to other interested areas of the county for spring pilots.</td>
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C. Project Benefits Information

1. Generally, what are the benefits of this project? (ex. goal/purpose/benefit of project; problem to be addressed; importance to the community)

The Slow Streets program aims to address public health concerns during the COVID-19 Shelter In Place directive by creating more public space for county residents to practice physical distancing while safely and comfortably biking, walking, and exercising in their community. Incorporating public input, feasibility measures, current traffic levels, and other strategic selection criteria, specific Slow Streets will be designated as such so that people can more comfortably use these low-traffic streets for physically-distant walking, biking, wheelchair rolling, and jogging.

Specifically, Slow Streets will:
1. Create a culture of bicycling, walking, rolling and exercising while increasing awareness of motorists, pedestrians and cyclists in shared space and decreasing vehicle speeds on neighborhood streets.
2. Provide an impactful first-hand experience of the convenience, enjoyment and feasibility of outdoor exercise close to home
3. Improve roadway safety by building skills and confidence of all roadway users in a safe and positive environment.
4. Increase roadway access for people of all ages, abilities, and experience levels.
5. Increase use of sustainable forms of transportation.
6. Increase family participation in physical activity given the temporary school closures and reduction in access to school yards and local park playgrounds.

Additionally, Open Streets will:
- Promote health by creating a large, safe, and fun space for people of all ages and experience levels to engage in and try new forms of physical activity.
- Promote connection and understanding between the diverse neighbors, neighborhoods and communities of Santa Cruz County (Northand South, inland and coastal) through participation in different locations.
- Inspire citizens to think “outside of the box” about the use of public space.

2. How many people will directly use or directly be served by this project per day? Depending of numbers of slow streets implemented. Approximately 35-50 people per day, per street.
3. Which groups will be the primary users of this facility/project/program?
Commuters, Youth, College Students, Low income residents, Students of all ages and their families, Visitors, Seniors, Disabled people, Recreational users.

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<tr>
<th>Benefit Category</th>
<th>How does this project address any of the following?</th>
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<tr>
<td>4. Safety (reduce fatal or injury collisions)</td>
<td>Slower speeds on residential streets reduces the number and severity of collisions.</td>
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<tr>
<td>5. Reduce emissions and/or vehicle miles traveled</td>
<td>Slow Streets serve to reduce emissions AND vehicle miles traveled by encouraging active transportation as a viable option for getting from place to place, and encourages shifts from automobile travel to alternative modes. Improves access to alternative modes (walk, bike, bus, carpool, etc).</td>
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<tr>
<td>6. Improves access (e.g., increase walking, bicycling, public transit use)</td>
<td>Slow streets helps communities visualize and experience alternative ways public spaces can be utilized.</td>
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<td>7. Improve travel times or travel time reliability</td>
<td>Increased bicycling and walking trips take cars off the road, resulting in increased efficiency of our roadways.</td>
</tr>
<tr>
<td>8. Improve freight or goods movement efficiency</td>
<td>Increased bicycling and walking trips take cars off the road, resulting in increased efficiency of our roadways.</td>
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<tr>
<td>9. Serve people who are transportation disadvantaged due to age, income, ability or language or other challenges</td>
<td>Slow Streets will increase roadway access for users of all ages, abilities, and experience levels by creating new spaces and opportunities for people to bicycle and walk in safer and enjoyable environments. Data from previous Open Streets events indicate that 55% of attendees said their favorite part about Open Streets was having a safe place to walk, bike, wheelchair, etc. Slow Streets will provide similar experiences, without creating large crowds. Bike Santa Cruz County specifically focuses on high density neighborhoods, and children and families with less access to public space to recreate and exercise.</td>
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<tr>
<td>10. Health (improve public health or promote healthy communities, provide outreach to targeted users)</td>
<td>Slow Streets promote physical and mental health by creatively using public space for people of all ages and experience levels to engage in and try new forms of physical activity, all while providing outreach to community members to support their decision to use active transportation. In addition, the process of neighborhood street selection increases neighborhood communication, conversation and cohesiveness.</td>
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Project Background and History:

The concept of Slow Streets is not new, but the need for Slow Streets has recently increased as our counties and cities continue to experience the effects of the current pandemic. The need to exercise is paramount, but the need to exercise safely is of high importance. Slow streets serve to provide access to safe places to exercise and participate in outdoor activities close to home. Public engagement and input is an essential component of establishing Slow Streets. For each area, we have been working with stakeholders such as local government, neighborhood groups, schools district administrators, residents, and community-based organizations to generate support and buy-in. For each event a small volunteer organizing committee is established to support with outreach, design, and volunteer recruitment. As a result of this broad participation, the Slow Streets have been relatively well received by neighbors, community members, and city and county staff.

Describe project readiness/deliverability and potential risks to project schedule: Bike Santa Cruz County has a long history of successfully planning and implementing large scale events, but given the extraordinary times we are experiencing, the shift to Slow Streets projects will serve to promote physical and mental health by creatively using public space for people of all ages and experience levels to engage in and try new forms of physical activity, all while providing outreach to community members to support their decision to use active transportation. In addition, the process of neighborhood street selection increases neighborhood communication, conversation and cohesiveness.

Potential risks include lack of neighborhood support, and/or City or County Staff buy-in, however, the continued success of programs across the state, country and world are encouraging and inspiring to local residents who want to see these programs happen in their neighborhoods.

The 2020 events will be implemented immediately, if the RSTPX funding reallocation is approved. The requested $18,000 will allow Bike Santa Cruz County to enhance the programming and activities to better serve our goals in changing behavior, increase physical exercise as a means of improving overall health and wellness and encouraging alternative and sustainable modes of transportation for daily trips.
Bike Santa Cruz County Slow Streets Proposal – Concerns to Address

While Public Works staff are interested in continuing to improve bike and pedestrian safety, they are interested in doing it right and ensuring efforts have a lasting impact. While supportive of the Slow Streets concept, in order to get it off the ground and implemented, public agencies would have to dedicate staff time and resources that are already stretched thin. Prior to authorizing use of RSTPX funds previously programmed for Open Streets to implement Slow Streets, RTC staff recommends that Bike Santa Cruz County be required to address concerns from public works departments.

Concerns raised include:

- **Due to anticipated significant budget shortfalls, public works departments (DPWs) are facing budget cuts and have no funding available for implementing Slow Streets measures. Limited staff time is focused on implementing ongoing and existing projects and programs. Any proposal from Bike Santa Cruz County would need to limit resources (staff time and materials) required from public works departments.**

- Most slow street efforts are happening in large urban areas that have high population density and less access to open space, the streets that are being made “slow” have higher volumes of traffic than many of the streets in Santa Cruz County and have alternate parallel roads where automobile and truck traffic can be redirected.

- Secure residents' support prior to implementation. Focus on roads in neighborhoods where requests have been received from residents.
  - Who surveys the residents to ensure support and how it is done will need to be resolved. In the County, BSCC should develop a DPW-approved standard processes, closely coordinated with DPW, before reaching out to residents.
  - Long term application. The City of Watsonville would consider extending "Slow Streets" beyond the current COVID-19 shelter-in-place conditions if residents asked to include "Slow Streets" in traffic calming strategies used in their neighborhood.

- Focus on neighborhood roads and not arterials and collectors in the unincorporated areas.

- Ensure that converting one street or road to a “slow street” does not negatively impact adjacent residential streets and roads.

- Public safety should be the main priority, with any striping, signage and geometry following CAMUTCD guidelines.
• Placement of traffic control devices would need to be done by trained and certified personnel.
• Proposed Slow Streets measures on roads in unincorporated areas should be reviewed and approved through DPW’s Encroachment Permit process.
• Based on experiences at other agencies, implementing “fast implementation” or "quick-build" non-permanent type installations projects to increase bike and pedestrian facilities would require a dedicated city and county teams (Public Works, Planning, Communications, and Emergency Services); a dedicated budget; some type of equitable program framework and a public process; the ability (staffing) to install and maintain devices. Trainings on these programs recommended against throwing out a couple of barricade signs and "calling it good". This would be a major new task, and it is worth doing it right or it is not worth doing.
• With regard to speed, signs alone have negligible impact on speed and the signs used for slow streets are unenforceable. With safety foremost in mind, agencies want to avoid leading pedestrians into a false sense of security by placing unenforceable limited signage on a few select streets.
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AGENDA: August 6, 2020

TO: Regional Transportation Commission
FROM: Luis Pavel Mendez, Deputy Director
RE: Santa Cruz Branch Rail Line Ownership and Potential Use

RECOMMENDATIONS

This item is for information purposes.

BACKGROUND

In 2012, after more than ten years of negotiations with Union Pacific (UP), exhaustive due diligence work, extensive public engagement and securing funding from the California Transportation Commission (CTC) with conditions, the Regional Transportation Commission (RTC) completed purchase of the Santa Cruz Branch Rail Line (Branch Line) right-of-way (ROW) from UP. The funding application to the CTC communicated that the RTC was purchasing the Branch Line ROW for:

- preservation of the ROW for transportation purposes,
- continuation of existing freight and recreational rail service,
- implementation of additional recreational rail service, and
- a bicycle and pedestrian path adjacent to the rail line.

As communicated in materials provided along with the preliminary title report that was presented to the RTC in 2005, the Branch Line ROW was mostly owned in fee by UP and some portions of the ROW were owned by UP as easements. The RTC acquired all of the property rights that UP owned on the Branch Line ROW from milepost .433 to milepost 31.39. The RTC property acquired in fee does allow the RTC to use that property for the construction of a trail. Moreover, RTC has no knowledge of any restriction for building a trail on property owned in fee.

DISCUSSION

At the RTC’s meeting of June 29, 2020 a question came up regarding whether the RTC could build a trail on ROW that is owned as easements for rail purposes. Therefore, the RTC directed staff to provide a public response to that question. This is a question that the RTC considered prior to
purchasing the Branch Line ROW. Staff worked with RTC’s current legal counsel to prepare this report.

As the RTC was considering the purchase of the Branch Line ROW prior to 2012 acquisition, legal counsel retained by the RTC to negotiate the rail line purchase and guide the due diligence process advised the Commission, as part of the real property negotiations process, that ROW easements for rail purposes have been interpreted to be usable for active transportation uses such as trails. The right to such use could arise either through the rights provided in the easements themselves or through other mechanisms, such as railbanking. One of the main RTC goals for purchasing the Branch Line ROW was to provide a bicycle and pedestrian path for the Santa Cruz County community. Therefore, had the RTC learned that such would not be possible on a significant portion of the ROW, it would likely have been a great impediment to purchasing the Branch Line ROW. However, in 2010, the RTC unanimously approved the purchase of the Branch Line ROW.

According to current RTC legal counsel, case law has determined that use of a railroad easement for other public transportation purposes can be permissible. The fact that use of a railway easement for alternative forms of transportation is allowed may not, however, fully resolve the issue of whether a trail used for active transportation purpose is allowed within the scope of a particular easement right. As the RTC develops the trail along the rail line, the RTC will evaluate easements on a case by case basis to determine whether additional rights should be acquired. It is important to note that legal counsel has determined that case law has held that a railroad easement cannot be used for a recreational trail. However, the trail that the RTC has planned and is developing is a transportation facility involving active transportation uses. Therefore, the RTC may not need additional rights on most or any of the railroad easements.

Also, if the RTC decides not to continue freight rail service on all or a portion of the Branch Line ROW, the RTC could railbank the portion that will not be used for freight service under the Rails to Trails Act. RTC could consider railbanking regardless of the type of transit selected for the line, including passenger rail service. The railbanking provision of the Rails to Trails Act is designed to prevent an interest in a railroad right-of-way from reverting under state law to an underlying fee owner when the right-of-way is used as an alternate transportation facility after a freight railroad discontinues service. Any taking claims by property owners related to expansion of the railroad easement would then be against the Federal Government as the entity granting the right to railbank. Any decision on railbanking is not appropriate at this time, since RTC has 8 years remaining on a ten-year
Administration, Coordination and License agreement, but it may be an option in the future.

**FISCAL IMPACT**

There is not a fiscal impact associated with this informational report.

**SUMMARY**

The RTC purchased the Branch Line ROW in 2012 from UP. Most of the ROW is owned in fee but some parts are owned as easements. It was questioned at the RTC's June 29, 2020 meeting whether the RTC could build a trail on ROW owned as easements for rail purposes. Past and current legal counsel concluded that while case law has held that using a railroad easement for recreational facilities, absent either railbanking or the right within the easement for such use, is not permissible using such an easement for other transportation facilities can be permissible.
AGENDA: August 6, 2020

TO: Regional Transportation Commission

FROM: Sarah Christensen, P.E.

RE: Highway 1 Corridor Investment Program Update

_____________________________

RECOMMENDATIONS

This item is for information only.

_____________________________

BACKGROUND

The RTC, in cooperation with Caltrans and the Federal Highway Administration (FHWA), prepared a combined Environmental Impact Report/Environmental Assessment (EIR/EA) for the Tier I programmatic-level long range vision for the Highway 1 corridor and the Tier II (project level) 41st/Soquel Auxiliary Lanes and Bike/Ped Overcrossing Project. The Final EIR/EA was certified in January 2019.

In 2018 the RTC advanced and implemented the final design for the Highway 1 41st/Soquel Auxiliary Lanes and Bike/Ped Overcrossing Project to achieve project readiness for funding opportunities. In 2019 RTC entered into Cooperative Agreement with Caltrans and awarded the consultant contract for the Project Approval & Environmental Document (PA&ED) phase of the Highway 1 Bay/Porter to State Park Auxiliary Lanes and Bus on Shoulder project. Earlier this year the RTC entered into a Cooperative Agreement with Caltrans and awarded a consultant contract for the PA&ED phase of the Highway 1 State Park to Freedom Blvd Auxiliary Lanes and Bus on Shoulder Project. Completion of the environmental documents will help to demonstrate project readiness for future state and federal funding applications.

In May of 2020 staff presented a package of projects included in the Watsonville-Santa Cruz Multimodal Corridor Program to the Commission, and requested Measure D matching funds be programmed for the Senate Bill 1 (SB1) Solutions to Congested Corridors Program (SCCP) and Local Partnership Program (LPP). The applications were submitted last month.

DISCUSSION

Below is an update on the Highway 1 Corridor Investment Program of projects under development. The projects include auxiliary lanes to improve mainline operations on Highway 1, a Bus on Shoulder facility to improve transit travel time and reliability of METRO commuter routes, and new bicycle and pedestrian
overcrossings to provide connectivity and access over Highway 1. Fact sheets for the projects under development are included as Attachment 1.

**Highway 1 41st/Soquel Auxiliary Lanes and Bus on Shoulder Project**

The final design and right of way phases are underway for the Highway 1 Auxiliary Lanes and Bus on Shoulder Project between the 41st Avenue and Soquel Avenue/Drive interchanges which includes construction of northbound and southbound auxiliary lanes, the first phase of the Bus on Shoulder facility which will total 2.75 miles between the Morrissey Boulevard interchange in Santa Cruz and Bay/Porter interchange in Capitola, and a new pedestrian and bicycle overcrossing at Chanticleer Avenue. The 100% Plans, Specifications, and Engineer’s Estimate were submitted to Caltrans in July. The project is on schedule for Ready to List (RTL) in December of 2020, with Caltrans anticipated to be the implementing agency for construction.

The right of way needs for this project include partial acquisitions for the construction of the bicycle and pedestrian overcrossing at Chanticleer Avenue, which are being led by the County of Santa Cruz Real Property Division through an agreement with the RTC. As part of the development of the permit applications, the consultant team identified the need for mitigation in the form of replacement planting of trees. The RTC is working with the County of Santa Cruz Parks Division to determine an appropriate off-site mitigation location.

Measure D and State Transportation Improvement Program (STIP) funds are being used to fund the final design and right of way phases of this project. The current estimate for construction is $36 Million (capital and support). Staff submitted the applications for Senate Bill 1 (SB1) programs to fully fund construction and construction support, including Solutions for Congested Corridors Program (SCCP) ($15 million) and Local Partnership Program (LPP) ($8.5 million) funds for construction of this project in Cycle 2. The matching funds for construction and construction support include STIP and federal Highway Infrastructure Program (HIP) funds.

**Highway 1 Bay-Porter/State Park Auxiliary Lanes**

The Project Approval and Environmental Document (PA&ED) phase of the Highway 1 Auxiliary Lanes Project between the Bay Avenue/Porter Street and State Park Drive interchanges is underway. This project proposes to construct northbound and southbound auxiliary lanes between the Bay Street/Porter Avenue and Park Avenue, and Park Avenue to State Park Drive interchanges on Highway 1, extend the bus on shoulder facility by 3 miles, construct drainage facilities, and construct retaining walls and soundwalls. The project also includes the replacement of the Capitola Avenue Overcrossing and a new Bicycle/Pedestrian Overcrossing (POC) at Mar Vista Drive in Aptos which was added to the project scope in May 2020. The preconstruction phases of this project are funded by Measure D, Regional Surface Transportation Program Exchange (RSTPX), and STIP.

The RTC awarded a consultant contract and entered into a Cooperative Agreement with Caltrans at the June 2019 RTC meeting, with the RTC as the implementing agency.
agency for the environmental phase of the project. Since that time, the consultant completed work on the traffic studies, geometric design of the proposed improvements, and completed environmental technical studies. Circulation of the draft environmental document is scheduled for October of 2020.

The Project Development Team (PDT), consisting of RTC, Caltrans, County of Santa Cruz, City of Capitola, and consultants are developing an on-line public outreach program scheduled in the fall of 2020. An informational meeting about the bicycle and pedestrian overcrossing at Mar Vista Drive, and an environmental review meeting are being planned through online platforms to comply with social distancing requirements, while gaining valuable feedback from the public on the project. The PA&ED phase is scheduled to be completed in May of 2021.

Staff plans to advance the final design phase of this project concurrent with the environmental phase in order to expedite the schedule and have the project construction-ready sooner. A Cooperative Agreement for the PS&E and right of way phases with Caltrans and a consultant contract will be brought to the Commission for approval toward the end of 2020.

The total cost for the project is estimated to be approximately $89M (capital and support). The PA&ED phase, including the consultant contract for the preliminary engineering and environmental analysis, is funded by STIP, RSTPX, and Measure D. The final design and right of way phases of this project is funded by STIP and Measure D. Staff included this project in the applications for Cycle 2 of SCCP ($52.3 million) and LPP ($14.9 million) submitted in July 2020. If successful, construction will be fully funded which is scheduled to begin in 2023.

**Highway 1 State Park/Freedom Auxiliary Lanes**
The PA&ED phase of the Highway 1 Auxiliary Lanes and Bus on Shoulder Project between the State Park Drive and Freedom Boulevard interchanges is underway. The Project proposes to widen SR 1 to accommodate auxiliary lanes and the bus on shoulder facility in the northbound and southbound directions. The major improvements include widening of the Highway 1 bridge over Aptos Creek and Spreckels Drive, replacing the two railroad bridges over SR 1 with multimodal bridges that can accommodate a multiuse trail and future transit, and construction of Segment 12 of the Monterey Bay Sanctuary Scenic Trail Segment 12 from State Park Drive to Rio Del Mar Boulevard.

Currently the team is developing the mapping to be used for the preliminary geometry of the proposed improvements, environmental technical studies and biological surveys. Notice of Preparation (NOP) is scheduled for fall of 2020, with a scoping meeting planned through online platforms to comply with social distancing requirements. The PA&ED phase of this segment is scheduled to be completed in 2022. The PA&ED phase of this project is funded by Measure D and Local Partnership Program (LPP) formula funds. Staff plans to apply for cycle 3 of the SB 1 SCCP and LPP to fund construction of the project.
Highway 1 Bus on Shoulder
The proposed Bus on Shoulder facility on Highway 1 has been integrated into the auxiliary lanes projects implemented in phases. The three segments of the Bus on Shoulder facility are under development:

1. Between the Morrissey Boulevard and Bay/Porter interchanges, in the final design phase included in the Highway 1 41st/Soquel Auxiliary Lanes Project (2.75 miles),
2. Between the Bay/Porter and State Park Drive interchanges, in the PA&ED phase included in the Highway 1 Bay-Porter/State Park Auxiliary Lanes Project (3 miles), and
3. Between the State Park Drive and Freedom Blvd interchanges, in the PA&ED phase included in the Highway 1 State Park Dr/Freedom Blvd Auxiliary Lanes Project (1.75 miles)

Watsonville-Santa Cruz Multimodal Corridor
Following the programming of Measure D matching funds in May of 2020 for the Senate Bill 1 (SB1) Solutions to Congested Corridors Program (SCCP) and Local Partnership Program (LPP), the cycle 2 applications were submitted in July of 2020. A total of $107M was requested which would fully fund construction of 3 sets of northbound and southbound auxiliary lanes between Soquel Avenue/Drive and State Park Drive interchanges, 5.75 miles of Bus on Shoulder facility, two bicycle and pedestrian overcrossings (at Chanticleer Avenue and Mar Vista Drive), and 5 miles of multimodal improvements on Soquel Drive which include buffered and protected bike lanes, intersection improvements, and adaptive signals. Below is a map showing the projects included in the cycle 2 funding applications:
The California Transportation Commission (CTC) Staff are evaluating the applications received and plan to make a recommendation for award in November of 2020, with program adoption by the CTC in December of 2020. If successful, construction of the Highway 1 41st/Soquel Auxiliary Lanes and Bus on Shoulder project which includes the Chanticleer Bicycle and Pedestrian Overcrossing would begin construction in 2021, and the Highway 1 Bay/Porter to State Park Auxiliary Lanes and Bus on Shoulder project which includes the Bicycle and Pedestrian Overcrossing at Mar Vista Drive would begin construction in 2023.

**FISCAL IMPACT**
This report is informational only and there are no new fiscal impacts. The various projects in the Highway 1 Corridor Investment Program are funded by a combination of funding sources, including STIP, Measure D, RSTPX, Local Partnership Program formula funds, Federal Highway Investment Program (HIP) and Metro funds. In general Measure D and RTC-discretionary funds will be used to leverage state and federal grants to fully fund the projects through construction. Fiscal impacts for future decisions will be included when staff recommends actions on those proposed projects.
SUMMARY
An update on the Highway 1 Corridor Investment Program of projects was provided, including the auxiliary lanes, bus on shoulder, and bicycle and pedestrian bridges under development.

ATTACHMENTS
    Highway 1 Project Fact Sheets

S:\RTC\TC2020\TC0820\Consent Agenda\Highway 1 Program Update\Staff Report_Hwy 1 Update_Sep 2020.docx
Project Description

The project will construct northbound and southbound auxiliary lanes and bus-on-shoulder improvements between the 41st Avenue and Soquel Avenue/Drive interchanges, and construct a new bicycle and pedestrian overcrossing at Chanticleer Avenue. Historically, this section of Highway 1 has been the busiest in the county, serving over 100,000 vehicles a day, providing access to the primary regional commercial/retail activity centers on 41st Avenue and regional medical facilities located on Soquel Drive. The auxiliary lanes will connect the on-ramps with the next off-ramp, thereby extending the weaving and merging distance between the ramps, improving traffic operations, and reducing cut-through traffic diverting to local streets and neighborhoods.

The bicycle/pedestrian overcrossing at Chanticleer Avenue provides an alternative route for bicyclists and pedestrians currently using the Soquel or 41st interchanges to cross over Highway 1. The overcrossing will be lighted, 12- to 14-feet wide, and will incorporate aesthetic treatments consistent with the visual character of the corridor and the adjacent community.

Unified Corridor Investment Study

Recognizing the need to address both existing transportation problems and future needs of Santa Cruz County, a Unified Corridor Investment Study (UCS) was undertaken to consider transportation options between Santa Cruz and Watsonville along three of the most important north to south transportation routes in the County, including the Highway 1 corridor. The study provides a rigorous analysis of how various groups of projects or scenarios advance the transportation goals of Santa Cruz County.

Project Highlights

- Improves traffic operations on Highway 1
- Improves bicycle and pedestrian connectivity to regional destinations and transit by providing a dedicated crossing for active transportation users at Chanticleer Avenue
- Adds infrastructure for buses to travel in the auxiliary lanes between interchanges and on the outside shoulder through interchanges
- Measure D funds are being used to accelerate the project development process
- Construction ready in early 2021, pending availability of funds

Project Delivery Strategy

The RTC is leading the delivery of this project. Measure D-Highway Corridor funds and other RTC discretionary funds will be used to complete the work necessary to ready the project for construction, and as a match for future SB1 and federal construction grants. This project has environmental clearance and is currently competing for Cycle 2 of the SB1 Solutions to Congested Corridors Program, Local Partnership Program, and Active Transportation Program competitive funds.
Project Funding (in thousands)

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*Includes STIP and HIP funds.

Project Status/Schedule

The Unified Corridor Investment Study was completed in 2019. The Environmental Impact Report was certified in 2019. The final design phase is currently underway and is expected to be completed in 2020. The project is expected to go to construction in 2021.
Highway Corridor:
Highway 1 Aux Lanes, BOS (Bay Avenue/Porter Street to State Park Drive), and Mar Vista Bicycle/Pedestrian Overcrossing

Project Description
The project will construct northbound and southbound auxiliary lanes and bus-on-shoulder improvements between the Bay Avenue/Porter Street and State Park Drive interchanges and replace the existing Capitola Avenue local roadway overcrossing. This section of Highway 1 is one of the busiest in the county, providing access to the City of Capitola, Soquel and Aptos villages, and Cabrillo College. The auxiliary lanes will connect the on-ramps with the next off-ramp, thereby extending the weaving and merging distance between the ramps, improving traffic operations, and reducing cut-through traffic diverting to local streets and neighborhoods.

The new Capitola Avenue overcrossing will include enhanced bicycle and pedestrian facilities to improve connectivity for bicyclists and pedestrians between Soquel Drive to the north and the future Coastal Rail Trail to the south. The overcrossing, soundwalls, and retaining walls will incorporate aesthetic treatments consistent with the visual character of the corridor and the adjacent community.

The project also includes a new bicycle and pedestrian overcrossing (POC) at Mar Vista to provide a safe link between schools, the beach, residential neighborhoods and retail centers on each side of Highway 1. This POC was one of three bicycle and pedestrian overcrossings identified in the Highway 1 Corridor Investment Plan.

Project Highlights
- Improves traffic and safety operations on Highway 1
- Reduces cut-through traffic diverting to local streets and neighborhoods by adding auxiliary lanes between Bay Avenue/Porter Street and State Park Drive
- Improves bicycle and pedestrian connectivity to regional destinations and transit by providing enhanced bicycle and pedestrian facilities for active transportation users at Capitola Avenue
- Adds infrastructure for buses to travel in the auxiliary lanes between interchanges and on the outside shoulder through interchanges
- Improves bicycle and pedestrian connectivity to regional destinations and transit by providing a dedicated crossing for active transportation users
- Connects neighborhoods, schools, parks/beaches and commercial centers

Project Delivery Strategy
The RTC is leading the delivery of this project. Measure D-Highway Corridor funds and other RTC discretionary funds will be used to complete the work necessary to ready the project for construction, and as a match for future SB1 and federal construction grants. Environmental clearance is expected to be obtained by 2021. The project is also competing for Cycle 2 of the SB1 Solutions to Congested Corridors Program and Local Partnership Program competitive funds.
Highway Corridor:
Highway 1 Aux Lanes, BOS (Bay Avenue/Porter Street to State Park Drive), and Mar Vista Bicycle/Pedestrian Overcrosssing

Project Funding (in thousands)

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*Includes STIP funds.

Project Status/Schedule

The project is in the environmental phase, which is expected to be completed in 2021. Final design is expected to begin in 2020 and be completed by 2022. The project is expected to go to construction in 2022.
Highway Corridors: Highway 1 Aux Lanes and BOS (State Park Drive to Freedom Boulevard), and Coastal Rail Trail Segment 12

Project Description
The project will construct northbound and southbound auxiliary lanes between the State Park Drive and Freedom Boulevard interchanges, replace the two existing railroad bridges between the State Park Drive and Rio del Mar interchanges, and widen the Aptos Creek bridge. This section of Highway 1 provides access to Aptos Village, Rio del Mar, Aptos High School, and Aptos Hills/Corralitos. The auxiliary lanes will connect the on-ramps with the next off-ramp, thereby extending the weaving and merging distance between the ramps, improving traffic operations, and reducing cut-through traffic diverting to local streets and neighborhoods.

The existing railroad bridges will be replaced with longer span bridges to accommodate the addition of auxiliary lanes on Highway 1. The new bridges will also be able to accommodate future high-capacity public transit and trail to improve multimodal transportation across the County. The new bridges, soundwalls, and retaining walls will incorporate aesthetic treatments consistent with the visual character of the corridor and the adjacent community.

This project also includes construction of Segment 12 of the Coastal Rail Trail, a bicycle and pedestrian trail along an approximately 1.25-mile segment of the Santa Cruz Branch Rail Line right-of-way from State Park Drive to Rio Del Mar Boulevard. The Santa Cruz Branch Rail Line corridor is an active freight line and is owned by the RTC.

Project Highlights
- Improves traffic and safety operations on Highway 1
- Adds infrastructure for buses to travel in the auxiliary lanes between interchanges and on the outside shoulder through interchanges
- Reduces cut-through traffic diverting to local streets and neighborhoods by adding auxiliary lanes between State Park Drive and Freedom Boulevard
- Replaces two existing railroad bridges and widens the Highway 1 Aptos Creek bridge
- Accommodates future high-capacity public transit on the new railroad bridges
- Multimodal options to increase corridor throughput
- Improves active transportation connectivity

Project Delivery Strategy
The RTC is leading the delivery of this project. Measure D-Highway Corridor funds and other RTC discretionary funds will be used to complete the work necessary to ready the project for construction, and as a match for future SB1 and federal construction grants. By obtaining environmental clearance by early 2022, this project can compete for cycle 3 of the SB1 Solutions to Congested Corridors Program, Local Partnership Program, and Active Transportation Program competitive funds.
Highway Corridors:
Highway 1 Aux Lanes and BOS (State Park Drive to Freedom Boulevard), and Coastal Rail Trail Segment 12

Project Funding (in thousands)

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Project Status/Schedule
The environmental phase of this project is expected to begin in 2020 and be completed in 2021. The design phase is expected to begin in 2021. The project is expected to go to construction in 2024 pending availability of funding.

Preliminary rendering of new railroad bridge
RECOMMENDATIONS

Staff recommends the Regional Transportation Commission (RTC) receive a report on the construction management of three storm damage projects (Phase 2) on the Santa Cruz Branch Rail Line and approve the attached Resolution (Attachment 1) authorizing the Executive Director to enter into contracts with a combined value not to exceed $176,806 with MNS Engineers, Inc. for Construction Management Services for two storm damage repair projects (Phase 2) along the Santa Cruz Branch Rail Corridor.

BACKGROUND

In 2017 historic rain and flooding resulted in fallen trees, landslides, erosion, and other damages along the Santa Cruz Branch Rail Line (SCBRL). In February of 2017, the Federal Emergency Management Agency (FEMA) announced that federal disaster assistance had been made available for emergency repair of facilities damaged by the severe 2017 winter storms to eligible local government agencies across California. The RTC submitted a Request for Public Assistance for storm damage repair work along the SCBRL, which was approved by FEMA.

Between November 2017 and January 2018, RTC and FEMA Public Assistance Program staff inspected the damages incurred along the SCBRL. FEMA then issued the Damage Description and Dimensions (DDD) and Scope of Work (SOW) for seven (7) storm damage repair distinct sites (Site). RTC staff awarded contracts to professional engineering consultants to prepare the construction documents for repairs of all sites.

Phase 1 of the storm damage repairs include sites 1, 2, 4, and 7. Sites 1 and 2 are under construction and are anticipated to be completed this year weather permitting. Site 7 was advertised and one bid was received. The bid was rejected, and RTC plans on re-advertising the project later this year. The construction documents for site 4 are complete. Phase 2 of the storm damage repairs include sites 3, 5, and 6. The construction documents are complete. The environmental permits for storm damage repair site 5 are pending.
DISCUSSION

RTC staff has divided construction of the 2017 storm damage repairs into phases, based on delivery. Phase 2 consists of the following three storm damage projects:

- **Site 3** – Located adjacent to Sumner Avenue in Aptos. The project will repair the damaged slope embankment on the east side of the rail line which occurred as a result of the 2017 storms. Adjacent to the damage there is an existing 2 foot wide by 1 foot tall wood box cross culvert that likely needs replacement due to poor drainage through the right of way, which contributed to the failure of the embankment.

- **Site 5** – Located near Wilder Ranch State Park north of Santa Cruz. The project will repair the damaged slope embankment on the east side of the rail line which occurred as a result of the 2017 storms. Adjacent to the damage, there is a 30-inch reinforced concrete culvert which consistently clogs with sediment and vegetative debris resulting in poor drainage through the right of way which contributed to the failure of the embankment. Work includes repair of the slope embankment and clearing of the cross culvert to reestablish the drainage pattern through the right of way.

- **Site 6** – Located north of Santa Cruz near Three Mile Beach. The project will repair the damaged slope embankment and regrade the existing ditches north and south of an existing cross culvert which eroded as a result of the 2017 storms. Rock slope protection and erosion control measures will be added to prevent future erosion from occurring.

A map showing the storm damage repair project locations is shown as Figure 1 below:
For the Phase 2 projects, the next step is to procure a Construction Manager (CM) to support staff with construction services, including the work necessary to get the projects advertised and awarded, and to administer the construction contracts and perform inspections.

On July 10, 2020, proposals were requested from the 5 qualified firms on the on-call engineering consultant CM list, including 4Leaf, Biggs Cardosa & Associates, RailPros, MNS Engineers, and CPM Associates. A total of 2 proposals were received on July 23, 2020. Staff evaluated proposals on qualifications, project understanding, work plan, staffing plan which includes percentages of time available for key staff to work on the projects, and past experience on storm damage repair projects. Staff selected MNS Engineers, Inc. for Site 5 and 6 who had the highest score of the proposals evaluated, and their proposal can be found as Attachment 2.

Staff recommends using CSG Consultants, Inc. for construction management services for Site 3, through a task order from their on-call project management services contract (No. TP2063-01). The scope of their on-call contract includes assistance with soliciting bids and construction administration and management. Staff plans to execute a task order with CSG Consultants, Inc. to perform construction management services for site 3, using existing capacity under their 3-year contract that the RTC entered into in December of 2019 which has a total value of $1.2M. This contract has already been authorized by the Commission and executed by the Executive Director. No additional authorization is needed at this time.

Based on staff’s evaluation of the consultant proposals, staff estimates that the total cost for construction management of the Phase 2 projects at $220,000. In order to facilitate reimbursement from FEMA, staff expects to enter into two contracts with MNS Engineers, Inc. at a total combined cost not to exceed $176,806. Staff recommends the Regional Transportation Commission approve the attached resolution (Attachment 1) authorizing the Executive Director to enter into two contracts with on-call construction management consultant, MNS Engineers, Inc. for construction management services for Sites 5 and 6 of the Phase 2 storm damage projects on the Santa Cruz Branch Rail Corridor at a total cost not to exceed $176,806.

FISCAL IMPACT

The total anticipated cost of construction management of the Phase 2 storm damage repair projects is $220,000. The storm damage repairs are being funded initially out of the Measure D rail program and RSTPX budgets, and the RTC will be seeking reimbursement in the future by FEMA and CalOES. There are sufficient funds in the approved FY 20 budget for work performed in this fiscal year.
SUMMARY

Staff solicited proposals from the on-call construction management firms and received 2 proposals. MNS Engineers, Inc. was selected based on the evaluation criteria, and staff recommends the commission authorize contracts with a combined value not to exceed $176,806 for construction management services for sites 5 and 6 of the Phase 2 storm damage projects. CM for site 4 will be provided under a task order to the existing on-call project management services contract (No. TP2063-01).

Attachments:
1. RESOLUTION
2. Draft Contract, Scope of Services, and Cost Proposal
RESOLUTION NO.

Adopted by the Santa Cruz County Regional Transportation Commission  
on the date of August 6, 2020  
on the motion of Commissioner  
duly seconded by Commissioner

A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO TWO  
CONTRACTS WITH MNS ENGINEERS, INC. FOR CONSTRUCTION MANAGEMENT SERVICES  
FOR SITES 5 AND 6 OF THE STORM DAMAGE REPAIR PROJECTS (PHASE 2) ON THE  
SANTA CRUZ BRANCH RAIL CORRIDOR

WHEREAS, the Regional Transportation Commission (RTC) purchased the Santa Cruz  
Branch Rail Line (Branch Line) in October 2012; and

WHEREAS, in early 2017, the Branch Line suffered damages due to historic rain  
storms that hit Santa Cruz County and other parts of the state; and

WHEREAS, the heavy rain storms of 2017 were declared state and national disasters  
and the RTC submitted a Request for Public Assistance to the Federal Emergency  
Management Agency (FEMA);

WHEREAS, the Commission approved the list of qualified firms in 2018 for Civil  
Engineering, Structural Engineering/Inspections, and Construction Management services;

WHEREAS, staff solicited proposals for construction management services for Phase 2  
of the 2017 storm damage projects from the 5 on-call construction management firms,  
reviewed the 2 proposals received, and selected MNS Engineers, Inc. based on the  
selection criteria;

WHEREAS, construction management services are required to support staff with  
advertising the construction contracts for the permanent storm damage and to help  
ensure that FEMA, CalOES, and Regulatory Agencies requirements are met; and

THEREFORE, BE IT RESOLVED BY THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION  
COMMISSION THAT:

1. The Executive Director is authorized to negotiate and enter into two agreements  
with MNS Engineers, Inc. for a combined not to exceed amount of $176,806 for  
construction management services for Sites 5 and 6 of Phase 2 of the storm  
damage repairs on the Santa Cruz Branch Rail line; and

2. The Executive Director is authorized to negotiate and execute amendments to these  
agreements provided that the amendments are consistent with the RTC’s approved  
budget and work program and in accordance with RTC’s Administrative and Fiscal  
Policies, Section 5, Procurement.

3. The Executive Director is authorized to negotiate and enter into a contracts with the  
second highest ranked consultant team, in the event that negotiations with the
highest rank consultant are unsuccessful.

AYES: COMMISSIONERS

NOES: COMMISSIONERS

ABSTAIN: COMMISSIONERS

ABSENT: COMMISSIONERS

__________________________
Bruce McPherson, Chair

ATTEST:

____________________________
Guy Preston, Secretary

Distribution: RTC Fiscal, RTC and Consultant Project Managers
CONTRACT No.___________
ARCHITECTURAL & ENGINEERING SERVICES CONTRACT

THIS AGREEMENT made and entered into this _______day of ____________, 2020 by and between the SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION, hereinafter called COMMISSION, and MNS Engineers, Inc., hereinafter called CONSULTANT for Construction Management Services for Storm Damage Repair Site 5. The parties agree as follows:

1. DUTIES.

   A. CONSULTANT agrees to exercise special skill to accomplish the following results: Construction Management Services for Storm Damage Repair Site 5, as specified in Exhibit A: Scope of Services, which by this reference is incorporated herein.

   B. CONSULTANT shall provide the personnel listed below to perform the above-specified services, which persons are hereby designated as key personnel under this Agreement.

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<tr>
<th>Name</th>
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<tbody>
<tr>
<td>Paul Goryl</td>
<td>MNS Engineers, Inc.</td>
<td>Project Manager</td>
</tr>
</tbody>
</table>

   C. No person named in paragraph B of this Article or in the Fee Schedule /Cost Proposal (Exhibit B), or his or her successor, shall be removed or replaced by CONSULTANT, nor shall his or her agreed-upon function hereunder be changed, without the prior written consent of the COMMISSION Contract Manager.

   D. This contract includes the subcontractors and/or subconsultants listed in Exhibit B: Fee Schedule/Cost Proposal.

   E. Except as expressly authorized herein, CONSULTANT's obligations under this CONTRACT are not assignable or transferable, and CONSULTANT shall not subcontract any work, without the prior written approval of the COMMISSION. However, claims for money due or which become due to CONSULTANT from COMMISSION under this CONTRACT may be assigned to a financial institution or to a trustee in bankruptcy, without such approval. Notice of any assignment or transfer whether voluntary or involuntary shall be furnished promptly to the COMMISSION.

F. CONSULTANT’S PROGRESS REPORTS AND/OR MEETINGS

   1. CONSULTANT shall perform the services in accordance with the Project Schedule attached hereto (included in Exhibit B) and incorporated by reference. The CONSULTANT shall submit written progress reports with each invoice. The report should be sufficiently detailed for the Contract Manager to determine if the CONSULTANT is performing to expectations or is on schedule; to provide communication of interim findings; and to sufficiently address any difficulties or special problems encountered, so remedies can be developed.

   2. The CONSULTANT’s Project Manager shall meet with the COMMISSION’s Contract Manager, as needed, to discuss progress on the CONTRACT.

2. COMPENSATION. In consideration for CONSULTANT accomplishing work to be performed under this CONTRACT (as described in Exhibit A: Scope of Services), COMMISSION shall compensate CONSULTANT in accordance with the approved Fee Schedule/Cost Proposal, dated July 29, 2020, attached hereto (Exhibit B) and incorporated by reference. The consideration to be paid to CONSULTANT as pervaded herein shall be for all CONSULTANT’s expenses incurred in the performance hereof, including travel and per diem, unless otherwise expressly so provided. If
there is any conflict between the approved Fee Schedule/Cost Proposal and this CONTRACT, this CONTRACT shall take precedence.

A. CONSULTANT will be reimbursed for hours worked at the hourly rates specified in CONSULTANT's Fee Schedule/Cost Proposal (Exhibit B). The specified hourly rates shall include direct salary costs, employee benefits, overhead, and fee. These rates are not adjustable for the performance period set forth in this CONTRACT. The CONSULTANT will be reimbursed within thirty (30) days upon receipt by COMMISSION’s Contract Manager of itemized invoices in duplicate.

B. In addition, CONSULTANT will be reimbursed for incurred (actual) direct costs other than salary costs that are identified in the Fee Schedule/Cost Proposal (Exhibit B).

C. CONSULTANT shall be solely responsible for any future adjustments to prevailing wage rates including, but not limited to, base hourly rates and employer payment as determined by the Department of Industrial Relations. CONSULTANT is responsible for paying the appropriate rate, including escalations that take place during the term of the CONTRACT.

D. Progress payments will be made monthly in arrears based on services provided and actual costs incurred.

E. CONSULTANT shall not commence performance of work or services until this CONTRACT has been approved by COMMISSION, and notification to proceed has been issued by COMMISSION’S Contract Manager. No payment will be made prior to approval or for any work performed prior to approval of this CONTRACT.

F. If the consultant fails to satisfactorily complete a deliverable according to the schedule set forth in the contract, no payment will be made until the deliverable has been satisfactorily completed.

G. The total amount payable by COMMISSION for this CONTRACT shall not exceed $120,763. It is understood and agreed that there is no guarantee, either expressed or implied that this dollar amount will be authorized under this CONTRACT.

3. FUNDING REQUIREMENTS

A. It is mutually understood between the CONSULTANT and COMMISSION that this CONTRACT may have been written before ascertaining the availability of funds or appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays that would occur if the CONTRACT were executed after that determination was made.

B. This CONTRACT is valid and enforceable only if sufficient funds are made available to COMMISSION for the purpose of this CONTRACT. In addition, this CONTRACT is subject to any additional restrictions, limitations, conditions, or any statute enacted by the Congress, State Legislature, federal or state agency, or COMMISSION governing board that may affect the provisions, terms, or funding of this CONTRACT in any manner.

C. It is mutually agreed that if sufficient funds are not appropriated, this CONTRACT may be amended to reflect any reduction in funds.

D. COMMISSION has the option to terminate the CONTRACT pursuant to Section 5: Termination, or by mutual agreement to amend the CONTRACT to reflect any reduction of funds.

4. RETENTION OF FUNDS.

A. No retainage will be withheld by the COMMISSION from progress payments due the CONSULTANT. Retainage by the CONSULTANT or subconsultants (as identified in Article 1) is prohibited, and no retainage will be held by the CONSULTANT or subconsultants from progress payments due to subconsultants. Any violation of this provision shall subject the violating CONSULTANT or subconsultants to the penalties, sanctions, and other remedies specified in Section 3321 of the California Civil Code and/or Section 7108.5 of the California
Business and Professions Code. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the CONSULTANT or subconsultant in the event of a dispute involving late payment or nonpayment by the prime consultant or deficient subconsultant performance, or noncompliance by a subconsultant, or other good faith dispute that legally permits a CONSULTANT to withhold payments to subconsultants under California law or good cause that allows CONSULTANT to withhold payment under federal law. This provision applies to both DBE and non-DBE subconsultants.

4. TERM.
   A. This CONTRACT shall go into effect on the effective date; contingent upon prior approval by the COMMISSION governing board, and the CONSULTANT shall commence work after notification to proceed by the COMMISSION’S Contract Manager. The CONTRACT shall end on December 31, 2021, unless earlier terminated or extended by CONTRACT amendment.
   B. The CONSULTANT is advised that this CONTRACT is not binding and enforceable until it is approved by the COMMISSION's board and fully executed.

5. TERMINATION.
   A. This CONTRACT may be terminated by COMMISSION, for cause or without cause provided that COMMISSION gives not less than ten (10) calendar days written notice of its intent to terminate in the event of termination for cause provides and the reasons for termination stated in the notice.
   B. COMMISSION may temporarily suspend this CONTRACT, at no additional cost to COMMISSION provided that CONSULTANT is given written notice of temporary suspension. If COMMISSION gives such notice of temporary suspension, CONSULTANT shall immediately suspend its activities under this CONTRACT. A temporary suspension may be issued concurrent with the notice of termination.
   C. Notwithstanding any provisions of this CONTRACT, CONSULTANT shall not be relieved of liability to the COMMISSION by termination of this CONTRACT for damages sustained by COMMISSION by virtue of any breach of this CONTRACT by CONSULTANT, and COMMISSION may withhold any payments due to CONSULTANT until such time as the exact amount of damages, if any, due to COMMISSION from CONSULTANT is determined.
   D. If COMMISSION terminates this CONTRACT with CONSULTANT, COMMISSION shall pay CONSULTANT the sum due to CONSULTANT under this CONTRACT for services satisfactorily performed prior to termination, unless the cost of completion to COMMISSION exceeds the funds remaining in the CONTRACT in which case the overage shall be deducted from any sum due CONSULTANT under this CONTRACT and the balance, if any, shall be paid to CONSULTANT upon demand.
   E. Upon termination, COMMISSION shall be entitled to all CONSULTANT's work produced under this CONTRACT, including, but not limited to, reports, investigations, appraisals, inventories, studies, analysis, drawing and data estimates performed to that date, whether or not complete.
   F. OPTIONAL: COMMISSION may terminate this CONTRACT for CONSULTANT's default if a federal or state proceeding for the relief of debtors is undertaken by or against CONSULTANT, or CONSULTANT's principal, or if CONSULTANT or CONSULTANT's principal makes an assignment for the benefit of creditors.
   G. OPTIONAL: CONSULTANT may terminate this CONTRACT by giving the COMMISSION at least one hundred and twenty (120) days advance written notice. CONSULTANT shall be liable for any and all reasonable costs incurred by COMMISSION as a result of such early termination, default, including but not limited to reprocurement costs of the same or similar services defaulted or not provided by CONSULTANT under this Agreement.
6. **INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS.** CONSULTANT shall exonerate, indemnify, defend, and hold harmless the COMMISSION its governing body, officers, officials, agents, employees and volunteers from and against:

A. Any and all claims, demands, costs, or liability arising from or connected with the services provided under this CONTRACT due to willful misconduct or negligent acts, errors, or omissions of the CONSULTANT, its officers, subconsultants, employees, volunteers, or agents. The CONSULTANT will reimburse COMMISSION for any expenditure, including reasonable attorney’s fees, incurred by COMMISSION in defending against claims ultimately determined to be due willful misconduct or to negligent acts, errors, or omissions of the CONSULTANT, its officers, subconsultants, employees, volunteers, or agents; an

B. Any and all Federal, State and Local taxes, charges, fees, penalties, or contributions required to be paid with respect to CONSULTANT and CONSULTANT’S officers, subconsultants employees, volunteers, and agents engaged in the performance of this CONTRACT (including, without limitation, unemployment insurance, social security and payroll tax withholding).

7. **SAFETY.**

A. The CONSULTANT shall comply with OSHA, Cal-OSHA, and all other regulations applicable to CONSULTANT regarding necessary safety equipment or procedures. The CONSULTANT shall comply with safety instructions issued by the COMMISSION Safety Officer and other COMMISSION representatives. CONSULTANT personnel shall wear hard hats and safety vests at all times while working on the construction project site.

B. If any work might be conducted on the rail line or within the rail line right-of-way:

CONSULTANT personnel (officers, employees, volunteers, or agents) and any subcontractors must submit and comply with the “right-of-entry agreement” with COMMISSION and St. Paul & Pacific Railway, LLC (a subsidiary of Progressive Rail, Inc.) SC&MB, or its successor, as applicable, the terms and conditions of which are incorporated herein by this reference, and shall wear hard hats and safety vests at all times while working on the Santa Cruz Branch Rail Line or within the rail line right-of-way.

Pursuant to the authority contained in Section 591 of the Vehicle Code, COMMISSION has determined that such areas within the limits of the project are open to public traffic unless otherwise identified as private property. The CONSULTANT shall comply with all of the requirements set forth in Divisions 11, 12, 13, 14, and 15 of the Vehicle Code. The CONSULTANT shall take all reasonably necessary precautions for safe operation of its vehicles

8. **INSURANCE.** CONSULTANT, at its sole cost and expense, for the full term of this CONTRACT, and any extensions thereof, shall obtain and maintain at minimum compliance with all of the following insurance coverage(s) and requirements. Such insurance coverage shall be primary coverage as respects COMMISSION and any insurance or self-insurance maintained by COMMISSION shall be excess of CONSULTANT’S insurance coverage and shall not contribute to it. Insurance is to be placed with insurers reasonably acceptable to COMMISSION.

A. Types of Insurance and Minimum Limits

1. Workers’ Compensation in the minimum statutorily required coverage amounts. This insurance coverage shall not be required if the CONSULTANT has no employees and certifies to this fact by initialing here ________.

2. Automobile Liability Insurance for each of CONSULTANT’S vehicles used in the performance of this CONTRACT, including owned, non-owned (e.g. owned by CONSULTANT’S employees), leased or hired vehicles, in the minimum amount of $1,000,000 combined single limit per occurrence for bodily injury and property damage. This insurance coverage shall not be required if vehicle use by the CONSULTANT is not a
material part of performance of this Agreement and CONSULTANT and COMMISSION both certify to this fact by initialing here ___ / ___.

3. Comprehensive or Commercial General Liability Insurance coverage at least as broad as ISO form CG 00 01, with a minimum limit of two million dollars ($2,000,000) per occurrence, and $4,000,000 in the aggregate, including coverage for: (a) products and completed operations, (b) bodily and personal injury, (c) broad form property damage, (d) contractual liability, and (e) cross-liability.

4. Professional Liability Insurance in the minimum amount of one million dollars ($1,000,000) combined single limit, if, and only if, this Subparagraph is initialed by CONSULTANT and COMMISSION __ / ___.

5. Railroad Protective Liability Insurance in the minimum amount of two million dollars ($2,000,000) per occurrence and six million ($6,000,000 aggregate, if any work is to be conducted within the rail line right-of-way or within fifty (50) feet of the track or Commercial General Liability Insurance coverage that does not exclude work on the railroad and with a minimum limit of two ($2,000,000) million dollars per occurrence and six ($6,000,000) million dollars in aggregate.

If CONSULTANT normally carries insurance in an amount greater than the minimum amount required by the COMMISSION for this CONTRACT, that greater amount shall become the minimum required amount of insurance for purposes of this CONTRACT. Therefore, CONSULTANT hereby acknowledges and agrees that any and all insurances carried by it shall be deemed liability coverage for any and all actions it performs in connection with this CONTRACT.

B. Other Insurance Provisions

1. If any insurance coverage required in this CONTRACT is provided on a “Claims Made” rather than “Occurrence” form, CONSULTANT agrees that the retroactive date thereof shall be no later than the effective date of this CONTRACT, and that it shall maintain the required coverage for a period of three (3) years after the expiration of this CONTRACT (hereinafter “POST CONTRACT COVERAGE”) and any extensions thereof. CONSULTANT may maintain the required POST CONTRACT COVERAGE post agreement coverage by renewal or purchase of prior acts or tail coverage. This provision is contingent upon POST CONTRACT COVERAGE being both available and reasonably affordable in relation to the coverage provided during the term of this CONTRACT. For purposes of interpreting this requirement, a cost not exceeding 100% of the last annual policy premium during the term of this CONTRACT in order to purchase prior acts or tail coverage for POST CONTRACT COVERAGE shall be deemed to be reasonable. The COMMISSION will not be responsible for any premiums or assessments on the policy.

2. All policies of Commercial General Liability Insurance and Railroad Protective Liability Insurance, if required, shall be endorsed to cover the Santa Cruz County Regional Transportation Commission, its governing body, officials, employees, agents and volunteers, and St. Paul & Pacific Railway, LLC (a subsidiary of Progressive Rail, Inc.), or its successor, and its officials, employees, agents and volunteers, if any work will be undertaken in the rail right-of-way or within fifty (50) feet from the track, as additional insureds with respect to liability arising out of the work or operations and activities performed by or on behalf of, the CONSULTANT, including materials, parts or equipment furnished in connection with such work or operations. Endorsements shall be at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10 10 01 and CG 20 37 10 01, covering ongoing operations and products and completed operations.

3. All required insurance policies shall be endorsed to contain the following clause:
“This insurance shall not be canceled until after thirty (30) days (10 days for nonpayment of premium) prior written notice has been given to:

Santa Cruz County Regional Transportation Commission
Attn: Yesenia Parra
1523 Pacific Avenue
Santa Cruz, CA 95060

Should CONSULTANT fail to obtain such an endorsement to any policy required hereunder, CONSULTANT shall be responsible to provide at least thirty (30) days’ notice (10 days for non-payment of premium) of cancellation of such policy to the COMMISSION as a material term of this CONTRACT.

4. CONSULTANT agrees to provide its insurance broker(s) with a full copy of these insurance provisions and provide COMMISSION on or before the effective date of this CONTRACT with Certificates of Insurance and endorsements for all required coverages. The Certificates of Insurance must note whether the policy does or does not include any self-insured retention and also must disclose the deductible. The certificates shall require the carrier to take reasonable action to notify COMMISSION in writing of any material change, cancellation, termination or non-renewal of the coverage at least ten (10) days in advance of the effective date of any such material change, cancellation, termination or non-renewal. However, failure to obtain the required documents prior to the work beginning shall not waive the CONSULTANT’s obligation to provide them. All Certificates of Insurance and notices endorsements shall be delivered or sent to:

Santa Cruz County Regional Transportation Commission
Attn: Yesenia Parra
1523 Pacific Avenue
Santa Cruz, CA 95060

5. The CONSULTANT agrees that the insurance herein provided for, shall be in effect at all times during the term of this CONTRACT. In the event said insurance coverage expires at any time or times during the term of this CONTRACT, the CONSULTANT agrees to provide at least thirty (30) days prior notice to said expiration date; and a new Certificate of Insurance evidencing insurance coverage as provided for herein, for not less than either the remainder of the term of the CONTRACT, or for a period of not less than one (1) year. New Certificates of Insurance are subject to the approval of the COMMISSION. In the event the CONSULTANT fails to keep in effect at all times insurance coverage as herein provided, the COMMISSION may, in addition to any other remedies it may have, terminate this CONTRACT upon occurrence of such event.

6. If any insurance policy of CONSULTANT required by this CONTRACT includes language conditioning the insurer’s legal obligation to defend or indemnify COMMISSION on the performance of any act(s) by the named insured, then said insurance policy, by endorsement, shall also name the COMMISSION as a named insured. Notwithstanding the foregoing, both the CONSULTANT and its insurers agree that by naming the COMMISSION as a named insured, the COMMISSION may at its sole direction, but is not obligated to, perform any act required by the named insured under said insurance policies.

7. CONSULTANT shall do all things required to be performed by it pursuant to its insurance policies including but not limited to paying within five (5) work days, all deductibles and self-insured retentions (SIR) required to be paid under any insurance policy that may provide defense or indemnity coverage to COMMISSION or any additional insured. If CONSULTANT’s insurance policy includes a self-insured retention that must be paid by a named insured as a precondition of the insurer’s liability, or which has the effect of providing
that payments of the self-insured retention by others, including additional insureds or insurers do not serve to satisfy the self-insured retention, such provisions must be modified by special endorsement so as to not apply to the additional insured coverage required by this CONTRACT so as to not prevent any of the parties to this CONTRACT from satisfying or paying the self-insured retention required to be paid as a precondition to the insurer’s liability.

8. CONSULTANT hereby grants to COMMISSION a waiver of any right of subrogation which any insurer of said CONSULTANT may acquire against the COMMISSION by virtue of the payment of any loss under such insurance. CONSULTANT agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the COMMISSION has received a waiver of subrogation endorsement from the insurer.

9. CONSULTANT shall cause the foregoing provisions to be inserted in all subcontracts for any work covered under this CONTRACT, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

9. FEDERAL, STATE AND LOCAL LAWS.

A. CONSULTANT warrants that in the performance of this CONTRACT, it shall exercise usual and customary professional care in its efforts to comply with all applicable federal, state and local laws, statutes and ordinances and all lawful orders, rules and regulations promulgated thereunder. In the event of a conflict between the laws and lawful regulations of any government entities having jurisdiction over the project, the CONSULTANT shall notify COMMISSION of the nature and impact of such conflict. The COMMISSION agrees to cooperate and work with the CONSULTANT in an effort to resolve any conflict.

B. Those laws, statutes, ordinances, rules, regulations and procedural requirements that are imposed on COMMISSION as a recipient of federal or state funds are imposed on CONSULTANT.

10. NON-DISCRIMINATION AND COMPLIANCE PROVISIONS.

A. The CONSULTANT’s signature affixed herein and dated shall constitute a certification under penalty of perjury under the laws of the State of California that the CONSULTANT has, unless exempt, complied with the nondiscrimination program requirements of Gove Code 12990 and 2 CCR 8103. CONSULTANT and subconsultants shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment.

During the performance of this CONTRACT, the CONSULTANT and its subconsultants shall not deny the CONTRACT benefits to any person on the basis of race, color, sex, gender, religious creed, national origin, ancestry, physical disability (including HIV and AIDS status), mental disability, medical condition (e.g., cancer), genetic information, marital status, gender, gender identity, gender expression, age, sexual orientation, military or veteran status. CONSULTANT and subconsultants shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Such action shall include, but not be limited to, the following: recruitment; advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training (including apprenticeship), employment, upgrading, demotion, or transfer. The CONSULTANT agrees to post in conspicuous places, available to employees and applicants for employment, notice setting forth the provisions of this non-discrimination clause.

CONSULTANT and subconsultants shall comply with the provisions of the Fair Employment and Housing Act (Government. Code §12990 et seq.) and the applicable regulations promulgated thereunder (.2 CCR 11000et seq.), the provisions of Government Code section 11135 to 11139.5, and the regulations of standards adopted by the COMMISSION to implement such article.
C. CONSULTANT and its subconsultants shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other CONTRACT.

D. CONSULTANT shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this contract.

E. The CONSULTANT, with regard to the work performed under this CONTRACT, shall act in accordance with Title VI of the Civil Rights Act of 1964 (42 U.S.C. §2000d et seq.). Title VI provides that the recipients of federal assistance will implement and maintain a policy of nondiscrimination in which no person in the United States shall, on the basis of race, color, national origin, religion, sex, age, disability, be excluded from participation in, denied the benefits of or subject to discrimination under any program or activity by the recipients of federal assistance or their assignees and successors in interest.

F. The CONSULTANT shall comply with regulations relative to non-discrimination in federally-assisted programs of the U.S. Department of Transportation (49 CFR Part 21 - Effectuation of Title VI of the Civil Rights Act of 1964). Specifically, the CONSULTANT shall not participate either directly or indirectly in the discrimination prohibited by 49 CFR §21.5, including employment practices and the selection and retention of subconsultants.

G. CONSULTANT and its subconsultants shall permit access to all records of employment, employment advertisements, application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission or any other agency of the State of California designated by State to investigate compliance with this Article.

H. In the event of CONSULTANT's non-compliance with the non-discrimination clauses of this CONTRACT or with any of the said rules, regulations or orders the COMMISSION may cancel, terminate or suspend the CONTRACT in whole or in part. CONSULTANT may also be declared ineligible for further agreements with the COMMISSION.

11. HARASSMENT. The COMMISSION maintains a strict policy prohibiting unlawful harassment, including sexual harassment, in any form, including verbal, physical and visual harassment by any employee, supervisor, manager, officer or Board member, or agent of the employer. Vendors, contractors, and consultants shall not engage in conduct that has an effect of unreasonably interfering with a COMMISSION employee's work performance or creates an intimidating, hostile or offensive work environment.

12. PROHIBITION OF EXPENDING COMMISSION, STATE, OR FEDERAL FUNDS FOR LOBBYING.

A. CONSULTANT certifies to the best of his or her knowledge and belief that:

1. No state, federal or COMMISSION appropriated funds have been paid, or will be paid by-or-on behalf of CONSULTANT to any person for influencing or attempting to influence an officer or employee of any state or agency; a Member of the State Legislature or United States Congress; an officer or employee of the Legislature or Congress; or any employee of a Member of the State Legislature or United States Congress, or any employee of a Member of the Legislature or Congress, in connection with the awarding this CONTRACT or with the extension, continuation, renewal, amendment, or modification of this CONTRACT.

2. If any funds other than state or federal appropriated funds have been paid, or will be paid to any person for influencing or attempting to influence an officer or employee agency; a Member of Congress; an officer or employee of Congress, or an employee of a Member of Congress; in connection with this the CONSULTANT shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying”, in accordance with its instructions.

B. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making
or entering into this transaction imposed by Section 1352, Title 31, US. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

C. CONSULTANT also agrees by signing this document that he or she shall require that the language of this certification be included in all lower-tier subcontracts, which exceed $100,000, and that all such sub recipients shall certify and disclose accordingly.

13. CONFLICT OF INTEREST.

A. During the term of this agreement, CONSULTANT shall disclose any financial, business, or other relationship with COMMISSION that may have an impact upon the outcome of this CONTRACT, or any ensuing COMMISSION construction project. CONSULTANT shall also list current clients who may have a financial interest in the outcome of this CONTRACT, or any ensuing COMMISSION construction project, which will follow.

B. CONSULTANT certifies that it has disclosed to COMMISSION any actual, apparent, or potential conflicts of interest that may exist relative to the services to be provided pursuant to this CONTRACT. CONSULTANT agrees to advise COMMISSION of any actual, apparent or potential conflicts of interest that may develop subsequent to the date of execution of this CONTRACT. CONSULTANT further agrees to complete any statements of economic interest if required by either COMMISSION ordinance or State law.

C. CONSULTANT hereby certifies that it does not now have, nor shall it acquire any financial or business interest that would conflict with the performance of services under this CONTRACT. The CONSULTANT hereby certifies that the CONSULTANT or subconsultant and any firm affiliated with the CONSULTANT or subconsultant that bids on any construction contract or on any Agreement to provide construction inspection for any construction project resulting from this AGREEMENT, has established necessary controls to ensure a conflict of interest does not exist. An affiliated firm is one, which is subject to the control of the same persons, through joint ownership or otherwise.

D. CONSULTANT hereby certifies that neither CONSULTANT, its employees, nor any firm affiliated with CONSULTANT providing services on this project prepared the Plans, Specifications, and Estimate for any construction project included within this CONTRACT. An affiliated firm is one, which is subject to the control of the same persons through joint ownership, or otherwise.

E. CONSULTANT further certifies that neither CONSULTANT or subconsultant, nor any firm affiliated with CONSULTANT or subconsultant that bids on any construction contract or any contract to provide construction inspection for any construction project resulting from this CONTRACT, has established necessary controls to ensure a conflict of interest does not exist. An affiliate firm is one, which is subject to the control of the same persons, through joint ownership or otherwise.

14. LICENSES. If a license of any kind is required of CONSULTANT, its employees, agents, or subcontractors by Federal or State law, CONSULTANT warrants that such license has been obtained, is valid and in good standing, that CONSULTANT shall keep it in effect at all times during the terms of this CONTRACT, and that any applicable bond has been posted in accordance with all applicable laws and regulations.

15. DEBARMENT AND SUSPENSION CERTIFICATION.

A. CONSULTANT’s signature affixed herein, shall constitute a certification under penalty of perjury under the laws of the State of California, that CONSULTANT or any person associated therewith in the capacity of owner, partner, director, officer, or manager, is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any federal agency; has not been suspended, debarred, voluntarily excluded, or determined ineligible by any federal agency within the past three (3) years; does not have a proposed debarment pending; and
has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three (3) years.

B. Any exceptions to this certification must be disclosed to the COMMISSION. Exceptions will not necessarily result in denial of recommendation for award, but will be considered in determining CONSULTANT responsibility. Disclosures must indicate to whom exceptions apply, initiating agency, and dates of action.

C. Exceptions to the Federal Government Excluded Parties List System maintained by the General Services Administration are to be determined by the Federal highway Administration.

16. INDEPENDENT CONSULTANT STATUS.

A. CONSULTANT and COMMISSION have reviewed and considered the principal test and secondary factors herein and agree that CONSULTANT is an independent CONSULTANT and not an employee of COMMISSION. CONSULTANT is responsible for all insurance (workers compensation, unemployment, etc.) and all payroll related taxes. CONSULTANT is not entitled to any employee benefits provided by the COMMISSION. COMMISSION agrees that CONSULTANT shall have the right to control the manner and means of accomplishing the result contracted for herein.

1. PRINCIPAL TEST: The CONSULTANT rather than COMMISSION has the right to control the manner and means of accomplishing the result contracted for.

2. SECONDARY FACTORS: (a) The extent of control which, by agreement, COMMISSION may exercise over the details of the work is slight rather than substantial; (b) CONSULTANT is engaged in a distinct occupation or business; (c) In the locality, the work to be done by CONSULTANT is usually done by a specialist without supervision, rather than under the direction of an employer; (d) The skill required in the particular occupation is substantial rather than slight; (e) The CONSULTANT rather than the COMMISSION supplies the instrumentalities, tools and work place; (f) The length of time for which CONSULTANT is engaged is of limited duration rather than indefinite; (g) The method of payment of CONSULTANT is by the job rather than by the time; (h) The work is part of a special or permissive activity, program, or project, rather than part of the regular business of COMMISSION; (i) CONSULTANT and COMMISSION believe they are creating an independent CONSULTANT relationship rather than an employer-employee relationship; and (j) The COMMISSION conducts public business.

It is recognized that it is not necessary that all secondary factors support creation of an independent CONSULTANT relationship, but rather that overall there are significant secondary factors which indicate that CONSULTANT is an independent CONSULTANT.

A. It is understood and agreed that CONSULTANT (including CONSULTANT’s employees) is an independent contractor and that no relationship of employer-employee exists between the parties hereto. CONSULTANT’s assigned personnel, officers, employees, agents, or subconsultants shall not be entitled to any benefits payable to COMMISSION employees, including, but not limited to, healthcare, retirement, and leave benefits.

B. CONSULTANT’s obligation to pay its subconsultant(s) is an independent obligation from COMMISSION’S obligation to make payments to the CONSULTANT.

C. COMMISSION is not required to make any deductions or withholds from the compensation payable to CONSULTANT under the provisions of the CONTRACT and is not required to issue W-2 Forms for income and employment tax purposes for any of CONSULTANT’s assigned personnel. CONSULTANT, in the performance of its obligation hereunder, is only subject to the
control or direction of the COMMISSION as to the designation of tasks to be performed and the results to be accomplished.

D. Any third party person(s) employed by CONSULTANT shall be entirely and exclusively under the direction, supervision and control of CONSULTANT. CONSULTANT hereby indemnifies and holds COMMISSION, its governing body, officers, employees, and agents, harmless from any and all claims that may be made against COMMISSION based upon any contention by any third part that an employer-employee relationship exists by reason of this CONTRACT.

E. Except as expressly authorized herein, CONSULTANT's obligations under this CONTRACT are not assignable or transferable, and CONSULTANT shall not subcontract any work, without the prior written approval of the COMMISSION. However, claims for money due or which become due to CONSULTANT from COMMISSION under this CONTRACT may be assigned to a financial institution or to a trustee in bankruptcy, without such approval. Notice of any assignment or transfer whether voluntary or involuntary shall be furnished promptly to the COMMISSION.

17. COST PRINCIPLES AND ADMINISTRATIVE REQUIREMENTS.

A. CONSULTANT agrees that the CONTRACT Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31.000 et seq., shall be used to determine the cost allowability of individual items.

B. CONSULTANT also agrees to comply with federal procedures in accordance with 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

C. Any costs for which payment has been made to CONSULTANT that are determined by subsequent audit to be unallowable under 48 CFR, Part 31 or 2 CFR Part 200 are subject to repayment by CONSULTANT to COMMISSION.

D. When a CONSULTANT or subconsultant is a Non-Profit Organization or an Institution of Higher Education, the Cost Principles for Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards shall apply.

E. Contractor and subcontractors shall establish and maintain, an accounting system conforming to Generally Accepted Accounting Principles (GAAP) to support Requests for Reimbursement which segregate and accumulate the costs of work elements by line item (i.e direct labor, other direct costs, subrecipients/subcontractor, etc) and enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices.

19. RETENTION OF RECORDS/AUDIT.

A. For the purpose of determining compliance with Government Code section 8546.7, CONSULTANT, its subconsultants, and COMMISSION shall maintain and make available for inspection all books, documents, papers, accounting records, Independent CPA Audited Indirect Cost Rate workpapers, and other evidence pertaining to the performance of the CONTRACT, including but not limited to, the costs of administering the CONTRACT. All parties shall make such materials available at their respective offices at all reasonable times during the CONTRACT period and for three years from the date of final payment under the CONTRACT. If any action has occurred relative to the records, the records must be retained until completion of the action and resolution of all issues that arise from it.

B. The state, State Auditor, and COMMISSION shall have access to any books, records, and documents of CONSULTANT and its certified public accountants (CPA) work papers that are pertinent to the CONTRACT and indirect cost rates (ICR) for audit, examinations, excerpts, and transactions, and copies thereof shall be furnished if requested. The Federal Highway
Administration (FHWA) or other authorized representative of the federal government shall also have access to the records described in this paragraph, if federal funds are used in this CONTRACT.

20. **INSPECTION OF WORK.** The CONSULTANT and any subconsultant shall permit the COMMISSION, the STATE, and the FHWA or FTA if federal participating funds are used in this CONTRACT, to review and inspect the project activities and files at all reasonable times during the term of this CONTRACT including review and inspection on a daily basis.

21. **ACKNOWLEDGMENT.** CONSULTANT shall acknowledge in all reports and literature that the material is prepared for and on behalf of the COMMISSION.

22. **WORK PRODUCTS/OWNERSHIP OF DATA.** All material, data, information, and written, graphic or other work produced under this CONTRACT is subject to the unqualified and unconditional right of the COMMISSION to use, reproduce, publish, display, and make derivative use of all such work, or any part of it, free of charge and in any manner and for any purpose; and to authorize others to do so. CONSULTANT shall have no property right therein whatsoever.

   A. Upon completion of all work under this CONTRACT, the COMMISSION shall be entitled to and the CONSULTANT shall deliver to the COMMISSION reports, investigations, appraisals, inventories, studies, analysis, drawing and data estimated performed to that date, whether completed or not, and other such materials as may have been prepared by CONSULTANT in performing this CONTRACT which is not CONSULTANT’s privileged information, as defined by law or CONSULTANT’s personnel information along with all other property belonging exclusively to the COMMISSION which is in the CONSULTANT’s possession. Publication of the information derived from work performed or data obtained in connection with services rendered under this CONTRACT must be approved in writing by the COMMISSION.

   B. Additionally, it is agreed that the Parties intend this to be an CONTRACT for services and each considers the products and results of the services to be rendered by CONSULTANT hereunder to be work made for hire. CONSULTANT acknowledges and agrees that the work (and all rights therein, including, without limitation, copyright) belongs to and shall be the sole and exclusive property of COMMISSION without restriction or limitation upon its use or dissemination by COMMISSION.

   C. Nothing herein shall constitute or be construed to be any representation by CONSULTANT that the work product is suitable in any way for any other project except the one detailed in this CONTRACT. Any reuse by COMMISSION for another project or project location shall be at COMMISSION’s sole risk.

   D. Applicable patent rights provisions regarding rights to inventions shall be included in the CONTRACT as appropriate (48 CFR 27, Subpart 27.3 - Patent Rights under Government Contracts for federal-aid contracts).

   E. The COMMISSION may permit copyrighting reports or other contract products, subject to its rights in Section E below. If copyrights are permitted, the agreement shall provide that the COMMISSION shall have the royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use; and to authorize others to use, the work for government purposes.

   F. If any of the work is subject to copyright, trademark, service mark, or patent, CONSULTANT now grants to the COMMISSION a perpetual, royalty-free, nonexclusive and irrevocable license to use, reproduce, publish, use in the creation of derivative works, and display and perform the work, or any part of it, and to grant to any third party a comparable and coextensive sublicense.

23. **CONFIDENTIALITY OF DATA.**

   A. All financial, statistical, personal, technical, or other data and information relative to COMMISSION’s operations, which are designated confidential by COMMISSION and made
available to CONSULTANT in order to carry out this CONTRACT, shall be protected by CONSULTANT from unauthorized use and disclosure.

B. Permission to disclose information on one occasion, or public hearing held by COMMISSION relating to the CONTRACT, shall not authorize CONSULTANT to further disclose such information, or disseminate the same on any other occasion.

C. CONSULTANT shall not comment publicly to the press or any other media regarding the CONTRACT or COMMISSION’s actions on the same, except to COMMISSION’s staff, CONSULTANT’s own personnel involved in the performance of this CONTRACT, at public hearings or in response to questions from a government entity.

D. CONSULTANT shall not issue any news release or public relations item of any nature, whatsoever, regarding work performed or to be performed under this CONTRACT without prior review of the contents thereof by COMMISSION, and receipt of COMMISSION’s written permission.

24. NATIONAL LABOR RELATIONS BOARD CERTIFICATION. In accordance with Public CONTRACT Code Section 10296, CONSULTANT hereby states under penalty of perjury that no more than one final unappealable finding of contempt of court by a federal court has been issued against CONSULTANT within the immediately preceding two-year period, because of CONSULTANT’s failure to comply with an order of the National Labor Relations Board.

25. EVALUATION OF CONSULTANT. CONSULTANT’s performance will be evaluated by COMMISSION. A copy of the evaluation will be sent to CONSULTANT for comments. The evaluation together with the comments shall be retained as part of the CONTRACT record.

26. DRUG-FREE WORKPLACE. CONSULTANT shall comply with the provisions of Government Code § 8350 et seq., regarding Drug-Free Workplace Certification, and with the U.S. DOT regulations "Drug-Free Workplace Requirements Grants" in 49 CFR Part 29, Subpart F.

27. CHANGE IN TERMS.

A. This Agreement may be amended or modified only by mutual written agreement of the parties.

B. No alteration or variation of the terms of this CONTRACT shall be valid unless made in writing and signed by the parties authorized to bind the parties; and nor oral understanding or agreement not incorporated herein, shall be binding on any of the parties hereto.

C. CONSULTANT shall only commence work covered by an amendment after the amendment is executed and notification to proceed has been provided by the COMMISSION’s Contract Manager.

28. DISPUTES. This CONTRACT shall be construed under the laws of the State of California. Pending final resolution of a dispute hereunder, CONSULTANT shall proceed diligently with the performance of this CONTRACT and shall comply with COMMISSION’s instructions.

Prior to either party commencing any legal action under this CONTRACT, the parties agree to try in good faith, to settle any dispute amicably between them. If a dispute has not been settled after thirty (30) days of good-faith negotiations and as may be otherwise provided herein, then either party may commence legal action against the other.

A. Any dispute, other than audit disputes, concerning a question of fact arising under this CONTRACT that is not disposed of by agreement shall be decided by a committee consisting of the COMMISSION’s Contract Manager and Executive Director, who may consider written or verbal information submitted by the CONSULTANT. The committee’s determination regarding such dispute shall be final unless the committee determines, in its sole discretion, that the dispute shall be determined by the Board of COMMISSION.
B. Not later than 30 days after completion of all work under the CONTRACT, CONSULTANT may request review by COMMISSION Governing Board of unresolved claims or disputes, other than audit. The request for review will be submitted in writing.

C. Neither the pendency of a dispute, nor its consideration by the committee will excuse the CONSULTANT from full and timely performance in accordance with the terms of this CONTRACT.

29. CLAIMS FILED BY COMMISSION’s CONSTRUCTION CONTRACTOR.

A. If claims are filed by COMMISSION’s construction contractor relating to work performed by CONSULTANT’s personnel, and additional information or assistance from CONSULTANT’s personnel is required in order to evaluate or defend against such claims; CONSULTANT agrees to make its personnel available for consultation with COMMISSION’S construction CONTRACT administration and legal staff and for testimony, if necessary, at depositions and at trial or arbitration proceedings.

B. CONSULTANT’s personnel that COMMISSION considers essential to assist in defending against construction contractor claims will be made available on reasonable notice from COMMISSION. Consultation or testimony will be reimbursed at the same rates, including travel costs that are being paid for CONSULTANT’s personnel services under this CONTRACT.

C. Services of CONSULTANT’s personnel in connection with COMMISSION’s construction contractor claims will be performed pursuant to a written contract amendment, if necessary, extending the termination date of this CONTRACT in order to resolve the construction claims.

30. AUDIT REVIEW PROCEDURES.

A. Any dispute concerning a question of fact arising under an interim or post-completion audit of this Agreement that is not disposed of by agreement, shall be reviewed by the COMMISSION’S Contract Manager and Executive Director.

B. Not later than 30 days after issuance of the final audit report, the CONSULTANT may request a review by the COMMISSION’S Executive Director of unresolved audit issues. The request for review will be submitted in writing. The Executive Director’s determination regarding such dispute shall be final unless the Executive Director determines, in its sole discretion, that the dispute shall be determined by the RTC COMMISSION.

C. Neither the pendency of a dispute nor its consideration by the COMMISSION will excuse the CONSULTANT from full and timely performance, in accordance with the terms of this CONTRACT.

D. CONSULTANT and subconsultants’ contracts, including cost proposals and indirect cost rates (ICR), are subject to audits or reviews such as, but not limited to, a CONTRACT Audit, an Incurred Cost Audit, an ICR Audit, or a certified public accountant (CPA) ICR Audit Workpaper Review. If selected for audit or review, the CONTRACT, Fee Schedule/Cost Proposal (Exhibit B) and ICR and related workpapers, if applicable, will be reviewed to verify compliance with 48 CFR, Part 31 and other related laws and regulations. In the instances of a CPA ICR Audit Workpaper Review it is CONSULTANT’s responsibility to ensure federal, state, or local government officials are allowed full access to the CPA’s workpapers. The CONTRACT, cost proposal, and ICR shall be adjusted by CONSULTANT and approved by COMMISSION Contract Manager to conform to the audit or review recommendations. CONSULTANT agrees that individual terms of costs identified in the audit report shall be incorporated into the CONTRACT by this reference if directed by COMMISSION at its sole discretion. Refusal by CONSULTANT to incorporate audit or review recommendations, or to ensure that the Federal, State, or local governments have access to CPA workpapers, will be considered a breach of
CONTRACT terms and cause for termination of the CONTRACT and disallowance of prior reimbursed costs.

E. CONSULTANT’s Fee Schedule/Cost Proposal (Exhibit B) may be subject to a CPA ICRA Audit Work Paper Review and/or audit by the Independent Office of Audits and Investigation (IOAI). IOAI, at its sole discretion, may review and/or audit and approve the CPA ICR documentation. The Fee Schedule/Cost Proposal (Exhibit B) shall be adjusted by the CONSULTANT and approved by the COMMISSION Contract Manager to conform to the Work Paper Review recommendations included in the management letter or audit recommendations included in the audit report. Regular by the CONSULTANT to incorporate the Work Paper Review recommendations included in the management letter or audit recommendations included in the audit report will be considered a breach of the CONTRACT terms and cause for termination of the CONTRACT and disallowance of prior reimbursed costs.

1) During IOAI’s review of the ICR audit work papers created by the CONSULTANT’s independent CPA, IOAI will work with the CPA and/or CONSULTANT toward a resolution of issues that arise during the review. Each party agrees to use its best efforts to resolve any audit disputes in a timely manner. If IOAI identifies significant issues during the review and is unable to issue a cognizant approval letter, COMMISSION will reimburse the CONSULTANT at an accepted ICR until a FAR (Federal Acquisition Regulation) compliant ICR (e.g. 48 CFR Part 31; GAGAS (Generally Accepted Auditing Standards); CAS (Cost Accounting Standards), if applicable; in accordance with procedures and guidelines of the American Association of State Highways and Transportation Officials (AASHTO) Audit Guide; and other applicable procedures and guidelines) is received and approved by IOAI.

Accepted rates will be as follows:

a. If the proposed rate is less than one hundred fifty percent (150%) - the accepted rate reimbursed will be ninety percent (90%) of the proposed rate.

b. If the proposed rate is between one hundred fifty percent (150%) and two hundred percent (200%) - the accepted rate will be eighty-five percent (85%) of the proposed rate.

c. If the proposed rate is greater than two hundred percent (200%) - the accepted rate will be seventy-five percent (75%) of the proposed rate.

2. If IOAI is unable to issue a cognizant letter per paragraph E.1. above, IOAI may require CONSULTANT to submit a revised independent CPA-audited ICR and audit report within three months of the effective date of the management letter. IOAI will then have up to six (6) months to review the CONSULTANT’s and/or the independent CPA’s revisions.

3. If the CONSULTANT fails to comply with the provisions of this paragraph E, or if IOAI is still unable to issue a cognizant approval letter after the revised independent CPA audited ICR is submitted, overhead cost reimbursement will be limited to the accepted ICR that was established upon initial rejection of the ICR and set forth in paragraph E.1. above for all rendered services. In this event, this accepted ICR will become the actual and final ICR for reimbursement purposes under this AGREEMENT.

4. CONSULTANT may submit to COMMISSION final invoice only when all of the following items have occurred: (1) IOAI accepts or adjusts the original or revised independent CPA audited ICR; (2) all work under this AGREEMENT has been completed to the satisfaction of COMMISSION; and, (3) IOAI has issued its final ICR review letter. The CONSULTANT MUST SUBMIT ITS FINAL INVOICE TO COMMISSION no later than sixty (60) calendar days after occurrence of the last of these
items. The accepted ICR will apply to this AGREEMENT and all other agreements executed between COMMISSION and the CONSULTANT, either as a prime or subconsultant, with the same fiscal period ICR.

31. SUBCONTRACTING.

A. The CONSULTANT is responsible for performing the work required under the CONTRACT in a manner acceptable to COMMISSION. The CONSULTANT’s organization and all associated consultants and subconsultants must be identified in Article 1 of this CONTRACT or the Fee Schedule/Cost Proposal (Exhibit B). If the CONSULTANT wishes to use a subconsultant not specified in this CONTRACT or Exhibit B, prior written approval must be obtained from the local agency. The subcontract must contain all required provisions of this CONTRACT. All subawards must include adequate oversight, management, and administration of engineering and design related consultant services and be administered in accordance with State laws and procedures specified in 23 U.S.C.106(g)(4) and 2 CFR 200.331.

B. Nothing contained in this CONTRACT or otherwise, shall create any contractual relation between COMMISSION and any subconsultant(s), and no subcontract shall relieve CONSULTANT of its responsibilities and obligations hereunder. CONSULTANT agrees to be as fully responsible to COMMISSION for the acts and omissions of its subconsultant(s) and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by CONSULTANT. CONSULTANT’s obligation to pay its subconsultant(s) is an independent obligation from COMMISSION’S obligation to make payments to the CONSULTANT.

C. The CONSULTANT shall perform the work contemplated with resources available within its own organization; and no portion of the work pertinent to this CONTRACT shall be subcontracted without prior written authorization by the COMMISSION’S Contract Manager, except that, which is expressly identified in the approved Fee Schedule/Cost Proposal (Exhibit B).

D. CONSULTANT shall pay its subconsultants within fifteen (15) calendar days from receipt of each payment made to CONSULTANT by COMMISSION.

E. All subcontracts entered into as a result of this CONTRACT shall contain all the provisions stipulated in this CONTRACT to be applicable to subconsultants.

E. Any substitution of subconconsultants must be approved in writing by the COMMISSION’s Contract Manager prior to the start of work by the subconsultant.

F. The CONSULTANT hereby agrees that neither CONSULTANT, nor any firm affiliated with the CONSULTANT, will bid on or enter into any construction CONTRACT, or on any CONTRACT to provide construction inspection for any construction project resulting from this CONTRACT. An affiliated firm is one which is subject to the control of the same persons through joint-ownership, or otherwise.

G. Except for subconsultants whose services are limited to providing surveying or materials testing information, no subconsultant who has provided design services in connection with this CONTRACT shall be eligible to bid on or enter into any construction contract, or on any contract to provide construction inspection for any construction project resulting from this CONTRACT.

32. EQUIPMENT PURCHASE.

A. Prior authorization in writing, by COMMISSION’s Contract Manager shall be required before CONSULTANT enters into any unbudgeted purchase order, or subcontract exceeding $5,000 for supplies, equipment, or CONSULTANT services. CONSULTANT shall provide an evaluation of the necessity or desirability of incurring such costs.
B. For purchase of any item, service or consulting work not covered in CONSULTANT’s Fee Schedule/Cost Proposal (Exhibit B) and exceeding $5,000 prior authorization by COMMISSION’s Contract Manager; three competitive quotations must be submitted with the request, or the absence of bidding must be adequately justified.

C. Any equipment purchased as a result of this CONTRACT is subject to the following:

1. “CONSULTANT shall maintain an inventory of all nonexpendable property. Nonexpendable property is defined as having a useful life of at least two years and an acquisition cost of $5,000 or more. If the purchased equipment needs replacement and is sold or traded in, COMMISSION shall receive a proper refund or credit at the conclusion of the CONTRACT, or if the CONTRACT is terminated, CONSULTANT may either keep the equipment and credit COMMISSION in an amount equal to its fair market value, or sell such equipment at the best price obtainable at a public or private sale, in accordance with established COMMISSION procedures; and credit COMMISSION in an amount equal to the sales price. If CONSULTANT elects to keep the equipment, fair market value shall be determined at CONSULTANT’s expense, on the basis of a competent independent appraisal of such equipment. Appraisals shall be obtained from an appraiser mutually agreeable to by COMMISSION and CONSULTANT, if it is determined to sell the equipment, the terms and conditions of such sale must be approved in advance by COMMISSION.”

2. Regulation 2 CFR, Part 200 requires a credit to Federal funds when participating equipment with a fair market value greater than $5,000 is credited to the project.

33. STATE PREVAILING WAGE RATES.

A. CONSULTANT shall comply with the State of California’s General Prevailing Wage Rate requirements in accordance with California Labor Code, Section 1770, and all Federal, State, and local laws and ordinances applicable to the work, as may be amended.

B. No CONSULTANT or subconsultant may be awarded a contract containing public work elements unless registered with the Department of Industrial Relations (DIR) pursuant to Labor Code 1725.5. Registration with DIR must be maintained throughout the entire term of the contract, including any subsequent amendments.

C. The CONSULTANT shall comply with all of the applicable provisions of the California Labor Code requiring the payment of prevailing wages. The General Prevailing Wage Rate Determination applicable to work under this CONTRACT are available and on file with the Department of Transportation’ Regional/District Labor Compliance Officer. (https://dot.ca.gov/programs/construction/labor-compliance). These wage rates are made a specific part of this CONTRACT by reference pursuant to Labor Code §1773.2 and will be applicable to work performed at a construction project site. Prevailing wages will be applicable to all inspection work performed at COMMISSION construction sites, at COMMISSION facilities and at off-site locations that are set up by the construction contractor or one of its subcontractors solely and specifically to serve COMMISSION projects. Prevailing wage requirements do not apply to inspection work performed at the facilities of vendors and commercial materials suppliers that provide goods and services to the general public.

D. General Prevailing Wage Rate Determinations applicable to this project may also be obtained from the Department of Industrial Relations website at http://www.dir.ca.gov.

E. Payroll Records

1. Each CONSULTANT and Subconsultant shall keep accurate certified payroll records and supporting documents as mandated by Labor Code §1776 and as defined in 8 CCR §16000 showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid
to each journeyman, apprentice, worker, or other employee employed by the
CONSULTANT or Subconsultant in connection with the public work. Each payroll
record shall contain or be verified by a written declaration that it is made under penalty of
perjury, stating both of the following:
   a. The information contained in the payroll record is true and correct.
   b. The employer has complied with the requirements of Labor Code §1771, §1811,
      and §1815 for any work performed by his or her employees on the public works
      project.

2. The payroll records enumerated under paragraph (1) above shall be certified as correct by
   the CONSULTANT under penalty of perjury. The payroll records and all supporting
documents shall be made available for inspection and copying by COMMISSION
representatives at all reasonable hours at the principal office of the CONSULTANT. The
CONSULTANT shall provide copies of certified payrolls or permit inspection of its
records as follows:
   a. A certified copy of an employee's payroll record shall be made available for
      inspection or furnished to the employee or the employee's authorized
      representative on request.
   b. A certified copy of all payroll records enumerated in paragraph (1) above, shall
      be made available for inspection or furnished upon request to a representative of
      COMMISSION, the Division of Labor Standards Enforcement and the Division
      of Apprenticeship Standards of the Department of Industrial Relations or other
      party given the right to inspect the payroll records under state law. Certified
      payrolls submitted to COMMISSION, the Division of Labor Standards
      Enforcement and the Division of Apprenticeship Standards shall not be altered or
      obliterated by the CONSULTANT.
   c. The public shall not be given access to certified payroll records by the
      CONSULTANT, but shall be available upon request made through
      COMMISSION or the Department of Industrial Relations. The CONSULTANT
      is required to forward any requests for certified payrolls to the COMMISSION
      Contract Administrator by both email and U.S. mail no later than the business
day following receipt of the request.

3. Each CONSULTANT shall submit a certified copy of the records enumerated in
   paragraph (1) above, to the entity that requested the records within ten (10) calendar days
   after receipt of a written request. In the case of a request from a member of the public,
   the ten (10 days) shall be from the date of the request from the member of the public. In
   the event the CONSULTANT or Subconsultant fails to comply within the ten (10) day
   period, the CONSULTANT or Subconsultant shall, as a penalty to COMMISSION,
   forfeit one hundred dollars ($100) for each calendar day, or portion thereof, for each
   worker, until strict compliance is effectuated. Such penalties shall be withheld by
   COMMISSION from payments then due. CONSULTANT is not subject to a penalty
   assessment pursuant to this section due to the failure of a Subconsultant to comply with
   this section.

4. Any copy of records made available for inspection as copies and furnished upon request
to the public or any public agency by COMMISSION shall be marked or obliterated in
such a manner as to prevent disclosure of each individual's name, address, and social
security number. The name and address of the CONSULTANT or Subconsultant
performing the work shall not be marked or obliterated.
5. The CONSULTANT shall inform COMMISSION of the location of the records enumerated under paragraph (1) above, including the street address, city and county, and shall, within five (5) working days, provide a notice of a change of location and address.

6. In the event the CONSULTANT or subconsultant fails to comply within the ten (10) day period, he or she shall, as a penalty to COMMISSION, forfeit one hundred dollars ($100) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Such penalties shall be withheld by COMMISSION from payments then due. CONSULTANT is not subject to a penalty assessment pursuant to this section due to the failure of a subconsultant to comply with this section.

E. When prevailing wage rates apply, the CONSULTANT is responsible for verifying compliance with certified payroll requirements. Invoice payment will not be made until the invoice is approved by the COMMISSION Contract Manager.

F. Penalty

1. The CONSULTANT and any of its subconsultants shall comply with Labor Code §1774 and §1775. Pursuant to Labor Code §1775, the CONSULTANT and any subconsultant shall forfeit to the COMMISSION a penalty of not more than two hundred dollars ($200) for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of DIR for the work or craft in which the worker is employed for any public work done under the CONTRACT by the CONSULTANT or by its subconsultant in violation of the requirements of the Labor Code and in particular, Labor Code §§1770 to 1780, inclusive.

2. The amount of this forfeiture shall be determined by the Labor Commissioner and shall be based on consideration of mistake, inadvertence, or neglect of the CONSULTANT or subconsultant in failing to pay the correct rate of prevailing wages, or the previous record of the CONSULTANT or subconsultant in meeting their respective prevailing wage obligations, or the willful failure by the CONSULTANT or subconsultant to pay the correct rates of prevailing wages. A mistake, inadvertence, or neglect in failing to pay the correct rates of prevailing wages is not excusable if the CONSULTANT or subconsultant had knowledge of the obligations under the Labor Code. The CONSULTANT is responsible for paying the appropriate rate, including any escalations that take place during the term of the CONTRACT.

3. In addition to the penalty and pursuant to Labor Code §1775, the difference between the prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the CONSULTANT or subconsultant.

4. If a worker employed by a subconsultant on a public works project is not paid the general prevailing per diem wages by the subconsultant, the prime CONSULTANT of the project is not liable for the penalties described above unless the prime CONSULTANT had knowledge of that failure of the subconsultant to pay the specified prevailing rate of wages to those workers or unless the prime CONSULTANT fails to comply with all of the following requirements:

   a. The CONTRACT executed between the CONSULTANT and the subconsultant for the performance of work on public works
projects shall include a copy of the requirements in Labor Code §§ 1771, 1775, 1776, 1777.5, 1813, and 1815.

b. The CONSULTANT shall monitor the payment of the specified general prevailing rate of per diem wages by the subconsultant to the employees by periodic review of the certified payroll records of the subconsultant.

c. Upon becoming aware of the subconsultant’s failure to pay the specified prevailing rate of wages to the subconsultant’s workers, the CONSULTANT shall diligently take corrective action to halt or rectify the failure, including but not limited to, retaining sufficient funds due the subconsultant for work performed on the public works project.

d. Prior to making final payment to the subconsultant for work performed on the public works project, the CONSULTANT shall obtain an affidavit signed under penalty of perjury from the subconsultant that the subconsultant had paid the specified general prevailing rate of per diem wages to the Subconsultant’s employees on the public works project and any amounts due pursuant to Labor Code §1813.

5. Pursuant to Labor Code §1775, COMMISSION shall notify the CONSULTANT on a public works project within fifteen (15) calendar days of receipt of a complaint that a subconsultant has failed to pay workers the general prevailing rate of per diem wages.

6. If COMMISSION determines that employees of a subconsultant were not paid the general prevailing rate of per diem wages and if COMMISSION did not retain sufficient money under the CONTRACT to pay those employees the balance of wages owed under the general prevailing rate of per diem wages, the CONSULTANT shall withhold an amount of moneys due the subconsultant sufficient to pay those employees the general prevailing rate of per diem wages if requested by COMMISSION.

G. Hours of Labor: Eight (8) hours labor constitutes a legal day’s work. The CONSULTANT shall forfeit, as a penalty to the COMMISSION, twenty-five dollars ($25) for each worker employed in the execution of the CONTRACT by the CONSULTANT or any of its subconsultants for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of the Labor Code, and in particular §§1810 to 1815 thereof, inclusive, except that work performed by employees in excess of eight (8) hours per day, and forty (40) hours during any one week, shall be permitted upon compensation for all hours worked in excess of eight (8) hours per day and forty (40) hours in any week, at not less than one and one-half (1.5) times the basic rate of pay, as provided in §1815.

H. Employment of Apprentices

1. Where either the CONTRACT or the subcontract exceeds thirty thousand dollars ($30,000), the CONSULTANT and any subconsultants under him or her shall comply with all applicable requirements of Labor Code §§ 1777.5, 1777.6 and 1777.7 in the employment of apprentices.

2. CONSULTANTS and subconsultants are required to comply with all Labor Code requirements regarding the employment of apprentices, including mandatory
ratios of journey level to apprentice workers. Prior to commencement of work, CONSULTANT and subconsultants are advised to contact the DIR Division of Apprenticeship Standards website at https://www.dir.ca.gov/das/, for additional information regarding the employment of apprentices and for the specific journey-to-apprentice ratios for the CONTRACT work. The CONSULTANT is responsible for all subconsultants’ compliance with these requirements. Penalties are specified in Labor Code §1777.7.

I. When prevailing wages apply to the services described in the scope of work, transportation and subsistence costs shall be reimbursed at the minimum rates set by the Department of Industrial Relations (DIR) as outlined in the applicable Prevailing Wage Determination. See http://www.dir.ca.gov.

35. **REBATES, KICKBACKS OR OTHER UNLAWFUL CONSIDERATION.** The CONSULTANT warrants that this CONTRACT was not obtained or secured through rebates, kickbacks, or other unlawful consideration, either promised or paid to any COMMISSION employee. For breach or violation of this warranty, COMMISSION shall have the right in its discretion; to terminate the CONTRACT without liability; to pay only for the value of the work actually performed; or to deduct from the CONTRACT price; or otherwise recover the full amount of such rebate, kickback or other unlawful consideration.

36. **BROKERAGE OR OTHER FEES.** CONSULTANT warrants that no person or selling agency has been employed or retained to solicit or secure this CONTRACT upon an agreement or understanding, for a commission, percentage, brokerage or contingent, excepting bona fide employees or bona fide commercial or selling agencies maintained by the CONSULTANT for the purpose of securing business. For breach or violation of this warranty, the COMMISSION shall have the right to annul this agreement without liability, or at its discretion to deduct from the agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.”

37. **NOTIFICATION.** All notices hereunder and communications regarding interpretation of the terms of this CONTRACT and changes thereto, shall be effected by the mailing thereof by registered or certified mail, return receipt requested, postage prepaid, and addressed or emailing with delivery receipt requested as follows:

**CONSULTANT:** MNS Engineers, Inc.
Paul Goryl, Project Manager
111 North Market Street, Ste 440
San Jose, CA 95113
pgoryl@mnsengineers.com

**COMMISSION:** Santa Cruz County Regional Transportation Commission (SCCRTC)
Sarah Christensen, Contract Manager
1523 Pacific Ave
Santa Cruz, CA 95060

38. **FORCE MAJEURE**

Neither COMMISSION nor CONSULTANT will be liable for any breach or failure to perform under this CONTRACT or any other documents incorporated by reference herein if such breach or failure to perform is due to acts beyond the reasonable control of such party, which include by way of illustration, but not limitation, acts of God or public enemy, acts of federal, state, or local government, either in its sovereign or contractual capacity, fire, floods, epidemics and quarantines, civil disobedience, strikes, lock-outs, freight embargoes, or severe weather provided, however, that party which has been so affected will promptly give written notice to the other of the fact that it is
unable to so perform and the cause(s) therefore. The party claiming force majeure shall promptly notify the other party of the termination of the event and shall resume its performance under this CONTRACT immediately upon the cessation of such cause(s). During the period that the performance by one of the parties of its obligations under this CONTRACT has been suspended because of an event of force majeure, the other party may likewise suspend the performance of its obligations under this CONTRACT to the extent that the suspension is reasonable.

39. COMPLETE CONTRACT.

A. CONTRACT: The two parties to this CONTRACT, who are the before named CONSULTANT and the before named COMMISSION, hereby agree that this CONTRACT constitutes the entire CONTRACT which is made and concluded in duplicate between the two parties. Both of these parties for and in consideration of the payments to be made, conditions mentioned, and work to be performed; each agree to diligently perform in accordance with the terms and conditions of this CONTRACT as evidenced by the signatures below.

B. COMMISSION DESIGNEE: The Executive Director of COMMISSION, or his or her designee, shall have the authority to act for and exercise any of the rights of COMMISSION as set forth in this CONTRACT subsequent to, and in accordance with the authorization granted by the COMMISSION.

C. COMPLETE AGREEMENT, INCLUDING ATTACHMENTS. This CONTRACT includes all exhibits, attachments, and documents incorporated herein and made applicable by reference, constitutes the complete and exclusive statement of the terms and conditions of the CONTRACT between COMMISSION and CONSULTANT, and supersedes all prior representations, understandings and communications. The invalidity in whole or in part of any term or condition of this CONTRACT shall not affect the validity of other terms or conditions. The COMMISSION’s waiver of CONSULTANT’s performance of any term(s) or condition(s) of this CONTRACT shall not be construed as a waiver for any future performance of such term(s) or conditions(s).

D. Attachments are:
   Exhibit A: Scope of Services
   Exhibit B: Fee Schedule/Cost Proposal

   Required Caltrans LAPM Forms:
   LAPM Exhibit 10-K
   LAPM Exhibit 10-H2

Each of the undersigned represents and warrants that he or she is duly authorized to execute and deliver this Agreement and that such execution is binding upon the entity for which he or she is executing this document.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement No. ____________ to be executed on the date first written above.

2. CONSULTANT

By: _____________________________  By: _____________________________
SIGNED                              SIGNED
PRINTED                             PRINTED
DATE: ___________________________  DATE: ___________________________
3. APPROVED AS TO INSURANCE: 1. APPROVED AS TO FORM:

RTC Administrative Services Officer

DATE: ________________________

DISTRIBUTION:
- RTC Fiscal & Contract Manager
- CONSULTANT

COMMISSION Counsel

DATE: ________________________
Exhibit A: Scope of Services
MNS’ services will be divided into three phases: Phase 1 – Pre-Construction; Phase 2 – Construction Services; and Phase 3 – Project Closeout. The following scope of work provides a brief description of tasks and responsibilities MNS will provide.

PHASE 1.0 PRE-CONSTRUCTION PHASE SERVICES

Task 1.1 Project Review, Pre-Job Coordination and Project Set-Up
Upon receipt of the Notice to Proceed from the SCCRTC, MNS will contact the key individuals involved in the project and establish a clear protocol for the contract administration, lines of communication, and levels of authorization. MNS Project Manager, Paul Goryl, PE, will coordinate with the RTC Project Manager to establish a firm foundation of communication and understanding of the project. MNS will set up documentation and filing systems consistent with the Caltrans LAPM and meets the FEMA and OES requirements.

Task 1.2 Development of Construction Schedule
After review of the final plans and specifications, MNS will review and comment on the construction schedule developed by the Program Manager which optimizes the number of working days to be specified for each project.

Task 1.3 Constructability/Biddability Review
MNS will review and comment on the constructability/biddability review performed by the Program Manager. Constructability/biddability comments will be discussed with the RTC Program Manager and Designer, and resolutions incorporated into a bid addendum if required.

Task 1.4 Advertise Construction Contract, Bid Assistance and Management
As funding for the construction contract includes state and federal funding sources, the advertise and award procedures contained in the Caltrans Local Assistance Procedures Manual (LAPM) will be used. MNS will assist in reviewing the bid documents to ensure necessary documents and forms are included with the bid package.

During the advertising period, the MNS team will manage bid enquiries and responses back to potential bidders. The responses will involve timely coordination with the Designer, RTC and their Program Manager, and possibly others such as RTC’s legal council. The resulting responses from potential bidder enquiries may or may not require a contract or PS&E addenda. If contract or PS&E addenda are required, MNS will coordinate the addenda preparation and distribute to potential bidders and ensure that all bidders certify receipt of all addenda.

MNS will assist the RTC with their online bidding process with Bid Express, which will include an electronic plan room to distribute the bidding documents and to disseminate bid inquiry/responses and addendums to the potential bidders.

Task 1.5 Bid Opening and Award
It is assumed that the RTC will follow the FHWA policy requiring bids to be opened publicly and read aloud either item-by-item or by total amount. Just as the bid may be rejected for being irregular or unresponsive, a bid may also be rejected on the grounds that the bidder is not a responsible bidder. MNS will conduct an initial review of the bids to determine if all bids received are responsive and from responsible bidders (contractor not suspended or debarred from state or federal contracts). The RTC’s bid opening procedures will be followed and are assumed to include:

- Bids submitted include a completed addenda certification statement.
- The bids shall be retained in BidExpress until the designated time and place for public opening.
• All bids received in accordance with the terms of the advertisement shall be publicly opened and announced either item by item or by total amount.
• If any bid received is not read aloud, the name of the bidder and the reason for not reading the bid aloud shall be publicly announced at the bid opening.
• Negotiation with contractors, during the period following the opening of bids and before the award of the contract shall not be permitted.

MNS will conduct a bid analysis for the projects. The bid analysis process is an examination of the unit bid prices for reasonable conformance with the engineer's estimated prices, it forms the basis to justify the award or rejection of the bids and should assure that good competition and the lowest possible cost were received.

If any bid protests are received by the RTC, MNS will assist in review, evaluation and response to protests received, in accordance with the RTC’s procedures, the contract specifications and any amendments thereto. After review and evaluation of any bid protests, the MNS will issue a recommendation to the RTC to reject or accept the bid protest for subsequent formal review, consideration, and action by the RTC Board.

Task 1.6 Pre-Construction Conference
A pre-construction conference will be scheduled. All appropriate parties will be invited including the selected contractor, RTC staff, and any other involved entities at the RTC’s discretion. At the pre-construction conference, we will discuss the hierarchy of both the RTC and the contractor as well as establish the protocol to be used throughout the project. Safety will be an important item discussed thoroughly to ensure a safe working environment for the contractor and the public. The meeting will set the tone of cooperation for the project and elaborate on contract requirements and concerns. MNS will distribute meeting minutes to all parties in attendance.

PHASE 2.0 CONSTRUCTION PHASE SERVICES
Task 2.1 Contract Administration/Document Control
MNS will implement the project administration system discussed in Task 1.1. Our system will contain a method for organizing files forms, and spreadsheets to assist in tracking correspondence, submittals, requests for information (RFIs), contract change orders (CCOs), progress payments, and documenting materials testing results. Contract administration includes:

Diaries
Labor compliance and certified payrolls
Logs for submittals, RFIs, CCOs, and materials testing results
Correspondence, permits, and agreements
Progress schedule/Weekly Statement of Working Days (WSWDs)
Progress Pay Estimates and quantities
FEMA documentation
Safety and traffic control
Weekly meetings agenda and minutes

Task 2.2 Project Communication and Coordination
The MNS Resident Engineer/Inspector will oversee project communication and coordination with the RTC, emergency services, residents, any utility companies, contractor, and materials technicians throughout the construction phase. The pre-construction conference and weekly progress meetings will help the construction team to stay abreast of project issues and progress.
Task 2.3  Project Schedule Adherence  
MNS will request a schedule from the contractor prior to construction. The MNS Resident Engineer will require and review the three-week-look-ahead schedule from the contractor on a weekly basis. This schedule will assist in managing the contractor’s progress and allows our team to coordinate and schedule materials and soils testing. The contractor will issue WSWDs to document the progress of the work and the number of working days expended.

Task 2.4  Cost Control  
The project’s document control system will track and monitor the actual project construction costs. The tracking of contract item payments and quantities is incorporated into the progress payment spreadsheet. The project contingency balance will be verified as part of the monthly progress pay estimate review and submittal.

Task 2.5  Quantity Calculations and Progress Estimate  
MNS will prepare accurate and complete quantity calculations (Q-sheets) for each contract item and each progress pay estimate. The MNS Resident Engineer will track any extra work and supplemental work costs to be compared against the authorized change order amounts. We will review the contractor’s monthly Request for Payment and recommend approval for payment to the RTC.

Task 2.6  Submittals/RFIs  
MNS will perform timely review of submittals and RFIs; all submittals and RFIs will be logged and distributed as necessary. The Resident Engineer will monitor the log to verify responses are submitted in a timely manner. Initial submittals to be reviewed and approved as the first order of work include:

- Project schedule
- Safety Plan
- SWPPP/WPCP
- Materials Submittals

Task 2.7  Change Orders and Claims Management  
Prior to beginning any contract work, we will coordinate with the RTC to define the CCO process. All CCOs must define the project scope of work and limits and comply with the project documents. Our construction management team will be proactive in identifying actual and potential problems and work towards a timely and cost-effective solution. The Resident Engineer will:

- Determine the validity and justification for all change orders
- Notify the RTC if a change order is needed
- Negotiate costs with the contractor
- Process through the RTC

MNS will work closely with the RTC Project Manager, and contractor to resolve all change orders and/or disputes. That said, if a dispute has been filed, MNS will work diligently to thoroughly understand the nature and extent of the dispute and resolve it as quickly as possible. We will act on and process any Notice of Potential Claims (NOPCs) submitted by the contractor in a timely manner and in accordance with the contract documents and the RTC’s procedures.

Task 2.8  Construction Inspection  
The MNS Inspector will implement the inspection guidelines for monitoring the quality of the contractor's work. The Inspector will be onsite as required to inspect the work is performed safely and in accordance with the contract documents.

The Inspector’s responsibilities will also include:

**Inspection.** Inspect the construction for compliance to the plans and specifications.
Traffic Control. Inspect the contractor’s traffic control per approved standards. Notify the contractor of any perceived unsafe conditions.

Daily Reports. Prepare inspection reports, quantities, note any safety issues, and include an accurate description of the work, labor, and equipment. Note any extra work or changes to the plans. Maintain photographic record of construction.

Materials. Verify approved materials are incorporated into the project.

Record Drawings. Maintain a set of field as-built plans.

Punch List. Prepare punch list and inspect for completion of punch list work items. Perform final walkthrough with the RTC Project Manager and the contractor.

Task 2.9 Site Documentation
MNS will take pre-construction site photos to document the existing condition of the project limits prior to construction. Our team will also document construction throughout the life of the project. All photos will be logged and filed in the project files.

Task 2.10 Safety
The contractor has sole responsibility for compliance with safety requirements on the construction contract, but the construction management team will monitor compliance with their safety program and advise the contractor of observed deficiencies that need to be addressed. The contractor’s approved Safety Plan, Manual on Uniform Traffic Control Devices (MUTCD), and Cal/OSHA Safety Orders will guide our inspectors in monitoring the contractor’s work.

Task 2.11 Materials Testing
MNS will coordinate with our materials testing subconsultant, Pacific Crest, to provide necessary materials testing for each project.

Task 2.12 Record Drawings (As-Builts)
MNS will track and maintain as-built drawings in accordance with the contract requirements and ensure they are complete. MNS will keep a field set of as-built drawings for use in reviewing the contractor’s copy. Upon completion, the final set of record drawings will be reviewed by the MNS Resident Engineer/Inspector and submitted through the RTC Project Manager for final processing.

Task 2.13 FEMA Support/Documentation Review
MNS will review Supporting Documentation that may be used to support claim of reimbursement from FEMA to RTC. Reviews will be completed at the beginning of the project prior to construction, at the midpoint of construction and at the completion of the project. Example of documents (provided by others, if available) to be reviewed to support the FEMA claim.

- Records that demonstrate the damage to public facility
- Drawings, sketches, and plans of pre-disaster facility design (to scale)
- Drawings and sketches of disaster-related damages (to scale)
- Drawings and sketches of completed or proposed repair (to scale)
- Calculation sheets detailing specific dimensions and quantities of damage
- Force account labor records (i.e., payroll information, timesheets, and administrative policies)
- Temporary hire labor records (i.e., work for which the labor was needed, payroll information, and timesheets)
- Force account equipment usage information and rate schedules
- Rental and lease agreements
- Photographs of site, overall facility, specific damage, and repairs
- Subgrant Applications (Project Worksheets)
- Site location maps
- Flood Insurance Rate Maps
- Facility maintenance records (e.g., for roads or debris basins)
Facility inspection/safety reports (as may be available for bridges and dams)
Engineering/technical reports and specifications for repair
Codes and standards governing repairs/replacements
Insurance information (i.e., policies, proof of loss statements from insurance company, deductible information, etc.)
Documents supporting compliance with environmental and historical preservation issues
Hazard mitigation proposals (as allowed under Section 406 of the Stafford Act)
Justification for requests for a relocation, improved, or alternate project
Contract procurement procedure
Contracts or contractor bids (including invoices and copies of payments)
Inspection logs for work included in Subgrant Applications (Project Worksheets)
Permits
Correspondence
Invoices/warrants/checks
Job orders
Mutual aid agreements and records of mutual aid requests and receipt

PHASE 3.0  POST-CONSTRUCTION PHASE SERVICES

Task 3.1  Close-Out
MNS will review the contractor’s as-built drawings for completeness and provide the set to the RTC for final processing of the as-built plans. The Resident Engineer and Inspector will prepare and submit a final punch list of outstanding contract items to the contractor. A final walk through of the project will be scheduled with the RTC and any other involved entities at the RTC’s discretion. The Resident Engineer will ensure all concerns are addressed prior to recommending final acceptance of the contract to the RTC. Once the contractor provides all required documentation, MNS will submit a Final Pay request for final payment. MNS will submit all job files and final reports required for funding reimbursement to the RTC upon completion of the contract.
## Project Schedule

<table>
<thead>
<tr>
<th>PHASE</th>
<th>2020</th>
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<th>TOTAL COST</th>
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### Pre-Construction Staff

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<tr>
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<tr>
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<tr>
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<td>Miguel Leon</td>
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**Pre-Construction Sub-Total:** $7,000.00

### Construction Management Staff

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<th>2020 Rate</th>
<th>2020 Hours</th>
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<tbody>
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**Construction Management Sub-Total:** $71,620.00

### Project Closeout Staff

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<th>2020 Rate</th>
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<tr>
<td>Project Manager</td>
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**Project Closeout Sub-Total:** $15,840.00

### Direct Expenses

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<td>Lodging</td>
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<tr>
<td>Meals</td>
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<td><strong>Sub-Total</strong></td>
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<td>$6,303.00</td>
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<tr>
<td>Sub Consultants</td>
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<td><strong>Sub Consultants Sub-Total</strong></td>
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<tr>
<td><strong>PROJECT TOTAL</strong></td>
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**Notes:**
1. Monthly hours for construction inspectors are based upon eight-hour working days times the number of working days that month, with no overtime (OT).
2. Construction Management hours for the construction phase are based on 30 working days with a start date of October 15, 2020. During this period, the construction inspectors will be 100% utilized, resident engineer will be approximately 35% utilized, and the office engineer will be 20% utilized.
3. Prevailing Wage rates subject to PW adjustments.
4. The above estimate doesn't include any OT hours. However, should OT hours be required due to contractor's schedule, non-exempt employees are subject to OT regulations (Time and half & double time).
5. No support for delays due to weather, CCO, R/W, and claims filed by contractor in response to the Proposed Final Estimate.
6. A 10% markup to be applied to Direct Costs and subconsultants.
7. Lodging and meal allowance are based on the current GSA per diem rates for Santa Cruz County.
CONTRACT No.___________

ARCHITECTURAL & ENGINEERING SERVICES CONTRACT

THIS AGREEMENT made and entered into this _______day of _____________, 2020 by and between the SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION, hereinafter called COMMISSION, and MNS Engineers, Inc., hereinafter called CONSULTANT for Construction Management Services for Storm Damage Repair Site 6. The parties agree as follows:

1. DUTIES.

A. CONSULTANT agrees to exercise special skill to accomplish the following results: Construction Management Services for Storm Damage Repair Site 6, as specified in Exhibit A: Scope of Services, which by this reference is incorporated herein.

B. CONSULTANT shall provide the personnel listed below to perform the above-specified services, which persons are hereby designated as key personnel under this Agreement.

<table>
<thead>
<tr>
<th>Name</th>
<th>Firm</th>
<th>Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paul Goryl</td>
<td>MNS Engineers, Inc.</td>
<td>Project Manager</td>
</tr>
</tbody>
</table>

C. No person named in paragraph B of this Article or in the Fee Schedule /Cost Proposal (Exhibit B), or his or her successor, shall be removed or replaced by CONSULTANT, nor shall his or her agreed-upon function hereunder be changed, without the prior written consent of the COMMISSION Contract Manager.

D. This contract includes the subcontractors and/or subconsultants listed in Exhibit B: Fee Schedule/Cost Proposal.

E. Except as expressly authorized herein, CONSULTANT's obligations under this CONTRACT are not assignable or transferable, and CONSULTANT shall not subcontract any work, without the prior written approval of the COMMISSION. However, claims for money due or which become due to CONSULTANT from COMMISSION under this CONTRACT may be assigned to a financial institution or to a trustee in bankruptcy, without such approval. Notice of any assignment or transfer whether voluntary or involuntary shall be furnished promptly to the COMMISSION.

F. CONSULTANT’S PROGRESS REPORTS AND/OR MEETINGS

1. CONSULTANT shall perform the services in accordance with the Project Schedule attached hereto (included in Exhibit B) and incorporated by reference. The CONSULTANT shall submit written progress reports with each invoice. The report should be sufficiently detailed for the Contract Manager to determine if the CONSULTANT is performing to expectations or is on schedule; to provide communication of interim findings; and to sufficiently address any difficulties or special problems encountered, so remedies can be developed.

2. The CONSULTANT’s Project Manager shall meet with the COMMISSION’s Contract Manager, as needed, to discuss progress on the CONTRACT.

2. COMPENSATION. In consideration for CONSULTANT accomplishing work to be performed under this CONTRACT (as described in Exhibit A: Scope of Services), COMMISSION shall compensate CONSULTANT in accordance with the approved Fee Schedule/Cost Proposal, dated July 29, 2020, attached hereto (Exhibit B) and incorporated by reference. The consideration to be paid to CONSULTANT as pervaded herein shall be for all CONSULTANT’s expenses incurred in the performance hereof, including travel and per diem, unless otherwise expressly so provided. If
there is any conflict between the approved Fee Schedule/Cost Proposal and this CONTRACT, this CONTRACT shall take precedence.

A. CONSULTANT will be reimbursed for hours worked at the hourly rates specified in CONSULTANTs Fee Schedule/Cost Proposal (Exhibit B). The specified hourly rates shall include direct salary costs, employee benefits, overhead, and fee. These rates are not adjustable for the performance period set forth in this CONTRACT. The CONSULTANT will be reimbursed within thirty (30) days upon receipt by COMMISSION’s Contract Manager of itemized invoices in duplicate.

B. In addition, CONSULTANT will be reimbursed for incurred (actual) direct costs other than salary costs that are identified in the Fee Schedule/Cost Proposal (Exhibit B).

C. CONSULTANT shall be solely responsible for any future adjustments to prevailing wage rates including, but not limited to, base hourly rates and employer payment as determined by the Department of Industrial Relations. CONSULTANT is responsible for paying the appropriate rate, including escalations that take place during the term of the CONTRACT.

D. Progress payments will be made monthly in arrears based on services provided and actual costs incurred.

E. CONSULTANT shall not commence performance of work or services until this CONTRACT has been approved by COMMISSION, and notification to proceed has been issued by COMMISSION’S Contract Manager. No payment will be made prior to approval or for any work performed prior to approval of this CONTRACT.

F. If the consultant fails to satisfactorily complete a deliverable according to the schedule set forth in the contract, no payment will be made until the deliverable has been satisfactorily completed.

G. The total amount payable by COMMISSION for this CONTRACT shall not exceed $56,043. It is understood and agreed that there is no guarantee, either expressed or implied that this dollar amount will be authorized under this CONTRACT.

3. FUNDING REQUIREMENTS

A. It is mutually understood between the CONSULTANT and COMMISSION that this CONTRACT may have been written before ascertaining the availability of funds or appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays that would occur if the CONTRACT were executed after that determination was made.

B. This CONTRACT is valid and enforceable only if sufficient funds are made available to COMMISSION for the purpose of this CONTRACT. In addition, this CONTRACT is subject to any additional restrictions, limitations, conditions, or any statute enacted by the Congress, State Legislature, federal or state agency, or COMMISSION governing board that may affect the provisions, terms, or funding of this CONTRACT in any manner.

C. It is mutually agreed that if sufficient funds are not appropriated, this CONTRACT may be amended to reflect any reduction in funds.

D. COMMISSION has the option to terminate the CONTRACT pursuant to Section 5: Termination, or by mutual agreement to amend the CONTRACT to reflect any reduction of funds.

4. RETENTION OF FUNDS.

A. No retainage will be withheld by the COMMISSION from progress payments due the CONSULTANT. Retainage by the CONSULTANT or subconsultants (as identified in Article 1) is prohibited, and no retainage will be held by the CONSULTANT or subconsultants from progress payments due to subconsultants. Any violation of this provision shall subject the violating CONSULTANT or subconsultants to the penalties, sanctions, and other remedies specified in Section 3321 of the California Civil Code and/or Section 7108.5 of the California
Business and Professions Code. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the CONSULTANT or subconsultant in the event of a dispute involving late payment or nonpayment by the prime consultant or deficient subconsultant performance, or noncompliance by a subconsultant, or other good faith dispute that legally permits a CONSULTANT to withhold payments to subconsultants under California law or good cause that allows CONSULTANT to withhold payment under federal law. This provision applies to both DBE and non-DBE subconsultants.

4. **TERM.**
   
   A. This CONTRACT shall go into effect on the effective date; contingent upon prior approval by the COMMISSION governing board, and the CONSULTANT shall commence work after notification to proceed by the COMMISSION’S Contract Manager. The CONTRACT shall end on December 31, 2021, unless earlier terminated or extended by CONTRACT amendment.
   
   B. The CONSULTANT is advised that this CONTRACT is not binding and enforceable until it is approved by the COMMISSION's board and fully executed.

5. **TERMINATION.**
   
   A. This CONTRACT may be terminated by COMMISSION, for cause or without cause provided that COMMISSION gives not less than ten (10) calendar days written notice of its intent to terminate in the event of termination for cause provides and the reasons for termination stated in the notice.
   
   B. COMMISSION may temporarily suspend this CONTRACT, at no additional cost to COMMISSION provided that CONSULTANT is given written notice of temporary suspension. If COMMISSION gives such notice of temporary suspension, CONSULTANT shall immediately suspend its activities under this CONTRACT. A temporary suspension may be issued concurrent with the notice of termination.
   
   C. Notwithstanding any provisions of this CONTRACT, CONSULTANT shall not be relieved of liability to the COMMISSION by termination of this CONTRACT for damages sustained by COMMISSION by virtue of any breach of this CONTRACT by CONSULTANT, and COMMISSION may withhold any payments due to CONSULTANT until such time as the exact amount of damages, if any, due to COMMISSION from CONSULTANT is determined.
   
   D. If COMMISSION terminates this CONTRACT with CONSULTANT, COMMISSION shall pay CONSULTANT the sum due to CONSULTANT under this CONTRACT for services satisfactorily performed prior to termination, unless the cost of completion to COMMISSION exceeds the funds remaining in the CONTRACT in which case the overage shall be deducted from any sum due CONSULTANT under this CONTRACT and the balance, if any, shall be paid to CONSULTANT upon demand.
   
   E. Upon termination, COMMISSION shall be entitled to all CONSULTANT's work produced under this CONTRACT, including, but not limited to, reports, investigations, appraisals, inventories, studies, analysis, drawing and data estimates performed to that date, whether or not complete.
   
   F. OPTIONAL: COMMISSION may terminate this CONTRACT for CONSULTANT's default if a federal or state proceeding for the relief of debtors is undertaken by or against CONSULTANT, or CONSULTANT's principal, or if CONSULTANT or CONSULTANT's principal makes an assignment for the benefit of creditors.
   
   G. OPTIONAL: CONSULTANT may terminate this CONTRACT by giving the COMMISSION at least one hundred and twenty (120) days advance written notice. CONSULTANT shall be liable for any and all reasonable costs incurred by COMMISSION as a result of such early termination, default, including but not limited to reprocurement costs of the same or similar services defaulted or not provided by CONSULTANT under this Agreement.
6. INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS. CONSULTANT shall exonerate, indemnify, defend, and hold harmless the COMMISSION its governing body, officers, officials, agents, employees and volunteers from and against:

A. Any and all claims, demands, costs, or liability arising from or connected with the services provided under this CONTRACT due to willful misconduct or negligent acts, errors, or omissions of the CONSULTANT, its officers, subconsultants, employees, volunteers, or agents. The CONSULTANT will reimburse COMMISSION for any expenditure, including reasonable attorney’s fees, incurred by COMMISSION in defending against claims ultimately determined to be due willful misconduct or to negligent acts, errors, or omissions of the CONSULTANT, its officers, subconsultants, employees, volunteers, or agents; an

B. Any and all Federal, State and Local taxes, charges, fees, penalties, or contributions required to be paid with respect to CONSULTANT and CONSULTANT’S officers, subconsultants employees, volunteers, and agents engaged in the performance of this CONTRACT (including, without limitation, unemployment insurance, social security and payroll tax withholding).

7. SAFETY.

A. The CONSULTANT shall comply with OSHA, Cal-OSHA, and all other regulations applicable to CONSULTANT regarding necessary safety equipment or procedures. The CONSULTANT shall comply with safety instructions issued by the COMMISSION Safety Officer and other COMMISSION representatives. CONSULTANT personnel shall wear hard hats and safety vests at all times while working on the construction project site.

B. If any work might be conducted on the rail line or within the rail line right-of-way: CONSULTANT personnel (officers, employees, volunteers, or agents) and any subcontractors must submit and comply with the “right-of-entry agreement” with COMMISSION and St. Paul & Pacific Railway, LLC (a subsidiary of Progressive Rail, Inc.) SC&MB, or its successor, as applicable, the terms and conditions of which are incorporated herein by this reference, and shall wear hard hats and safety vests at all times while working on the Santa Cruz Branch Rail Line or within the rail line right-of-way.

Pursuant to the authority contained in Section 591 of the Vehicle Code, COMMISSION has determined that such areas within the limits of the project are open to public traffic unless otherwise identified as private property. The CONSULTANT shall comply with all of the requirements set forth in Divisions 11, 12, 13, 14, and 15 of the Vehicle Code. The CONSULTANT shall take all reasonably necessary precautions for safe operation of its vehicles

8. INSURANCE. CONSULTANT, at its sole cost and expense, for the full term of this CONTRACT, and any extensions thereof, shall obtain and maintain at minimum compliance with all of the following insurance coverage(s) and requirements. Such insurance coverage shall be primary coverage as respects COMMISSION and any insurance or self-insurance maintained by COMMISSION shall be excess of CONSULTANT’S insurance coverage and shall not contribute to it. Insurance is to be placed with insurers reasonably acceptable to COMMISSION.

A. Types of Insurance and Minimum Limits

1. Workers’ Compensation in the minimum statutorily required coverage amounts. This insurance coverage shall not be required if the CONSULTANT has no employees and certifies to this fact by initialing here ________.

2. Automobile Liability Insurance for each of CONSULTANT’S vehicles used in the performance of this CONTRACT, including owned, non-owned (e.g. owned by CONSULTANT’S employees), leased or hired vehicles, in the minimum amount of $1,000,000 combined single limit per occurrence for bodily injury and property damage. This insurance coverage shall not be required if vehicle use by the CONSULTANT is not a
material part of performance of this Agreement and CONSULTANT and COMMISSION both certify to this fact by initialing here ____/____.

3. Comprehensive or Commercial General Liability Insurance coverage at least as broad as ISO form CG 00 01, with a minimum limit of two million dollars ($2,000,000) per occurrence, and $4,000,000 in the aggregate, including coverage for: (a) products and completed operations, (b) bodily and personal injury, (c) broad form property damage, (d) contractual liability, and (e) cross-liability.

4. Professional Liability Insurance in the minimum amount of one million dollars ($1,000,000) combined single limit, if, and only if, this Subparagraph is initialed by CONSULTANT and COMMISSION __ / ____.

5. Railroad Protective Liability Insurance in the minimum amount of two million dollars ($2,000,000) per occurrence and six million ($6,000,000 aggregate, if any work is to be conducted within the rail line right-of-way or within fifty (50) feet of the track or Commercial General Liability Insurance coverage that does not exclude work on the railroad and with a minimum limit of two ($2,000,000) million dollars per occurrence and six ($6,000,000) million dollars in aggregate.

If CONSULTANT normally carries insurance in an amount greater than the minimum amount required by the COMMISSION for this CONTRACT, that greater amount shall become the minimum required amount of insurance for purposes of this CONTRACT. Therefore, CONSULTANT hereby acknowledges and agrees that any and all insurances carried by it shall be deemed liability coverage for any and all actions it performs in connection with this CONTRACT.

B. Other Insurance Provisions

1. If any insurance coverage required in this CONTRACT is provided on a “Claims Made” rather than “Occurrence” form, CONSULTANT agrees that the retroactive date thereof shall be no later than the effective date of this CONTRACT, and that it shall maintain the required coverage for a period of three (3) years after the expiration of this CONTRACT (hereinafter “POST CONTRACT COVERAGE”) and any extensions thereof. CONSULTANT may maintain the required POST CONTRACT COVERAGE post agreement coverage by renewal or purchase of prior acts or tail coverage. This provision is contingent upon POST CONTRACT COVERAGE being both available and reasonably affordable in relation to the coverage provided during the term of this CONTRACT. For purposes of interpreting this requirement, a cost not exceeding 100% of the last annual policy premium during the term of this CONTRACT in order to purchase prior acts or tail coverage for POST CONTRACT COVERAGE shall be deemed to be reasonable. The COMMISSION will not be responsible for any premiums or assessments on the policy.

2. All policies of Commercial General Liability Insurance and Railroad Protective Liability Insurance, if required, shall be endorsed to cover the Santa Cruz County Regional Transportation Commission, its governing body, officials, employees, agents and volunteers, and St. Paul & Pacific Railway, LLC (a subsidiary of Progressive Rail, Inc.), or its successor,, and its officials, employees, agents and volunteers, if any work will be undertaken in the rail right-of-way or within fifty (50) feet from the track, as additional insureds with respect to liability arising out of the work or operations and activities performed by or on behalf of, the CONSULTANT, including materials, parts or equipment furnished in connection with such work or operations. Endorsements shall be at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10 10 01 and CG 20 37 10 01, covering ongoing operations and products and completed operations.

3. All required insurance policies shall be endorsed to contain the following clause:
“This insurance shall not be canceled until after thirty (30) days (10 days for nonpayment of premium) prior written notice has been given to:

Santa Cruz County Regional Transportation Commission  
Attn: Yesenia Parra  
1523 Pacific Avenue  
Santa Cruz, CA 95060

Should CONSULTANT fail to obtain such an endorsement to any policy required hereunder, CONSULTANT shall be responsible to provide at least thirty (30) days’ notice (10 days for non-payment of premium) of cancellation of such policy to the COMMISSION as a material term of this CONTRACT.

4. CONSULTANT agrees to provide its insurance broker(s) with a full copy of these insurance provisions and provide COMMISSION on or before the effective date of this CONTRACT with Certificates of Insurance and endorsements for all required coverages. The Certificates of Insurance must note whether the policy does or does not include any self-insured retention and also must disclose the deductible. The certificates shall require the carrier to take reasonable action to notify COMMISSION in writing of any material change, cancellation, termination or non-renewal of the coverage at least ten (10) days in advance of the effective date of any such material change, cancellation, termination or non-renewal. However, failure to obtain the required documents prior to the work beginning shall not waive the CONSULTANT’s obligation to provide them. All Certificates of Insurance and notices endorsements shall be delivered or sent to:

Santa Cruz County Regional Transportation Commission  
Attn: Yesenia Parra  
1523 Pacific Avenue  
Santa Cruz, CA 95060

5. The CONSULTANT agrees that the insurance herein provided for, shall be in effect at all times during the term of this CONTRACT. In the event said insurance coverage expires at any time or times during the term of this CONTRACT, the CONSULTANT agrees to provide at least thirty (30) days prior notice to said expiration date; and a new Certificate of Insurance evidencing insurance coverage as provided for herein, for not less than either the remainder of the term of the CONTRACT, or for a period of not less than one (1) year. New Certificates of Insurance are subject to the approval of the COMMISSION. In the event the CONSULTANT fails to keep in effect at all times insurance coverage as herein provided, the COMMISSION may, in addition to any other remedies it may have, terminate this CONTRACT upon occurrence of such event.

6. If any insurance policy of CONSULTANT required by this CONTRACT includes language conditioning the insurer’s legal obligation to defend or indemnify COMMISSION on the performance of any act(s) by the named insured, then said insurance policy, by endorsement, shall also name the COMMISSION as a named insured. Notwithstanding the foregoing, both the CONSULTANT and its insurers agree that by naming the COMMISSION as a named insured, the COMMISSION may at its sole direction, but is not obligated to, perform any act required by the named insured under said insurance policies.

7. CONSULTANT shall do all things required to be performed by it pursuant to its insurance policies including but not limited to paying within five (5) work days, all deductibles and self-insured retentions (SIR) required to be paid under any insurance policy that may provide defense or indemnity coverage to COMMISSION or any additional insured. If CONSULTANT’s insurance policy includes a self-insured retention that must be paid by a named insured as a precondition of the insurer’s liability, or which has the effect of providing
that payments of the self-insured retention by others, including additional insureds or insurers do not serve to satisfy the self-insured retention, such provisions must be modified by special endorsement so as to not apply to the additional insured coverage required by this CONTRACT so as to not prevent any of the parties to this CONTRACT from satisfying or paying the self-insured retention required to be paid as a precondition to the insurer’s liability.

8. CONSULTANT hereby grants to COMMISSION a waiver of any right of subrogation which any insurer of said CONSULTANT may acquire against the COMMISSION by virtue of the payment of any loss under such insurance. CONSULTANT agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the COMMISSION has received a waiver of subrogation endorsement from the insurer.

9. CONSULTANT shall cause the foregoing provisions to be inserted in all subcontracts for any work covered under this CONTRACT, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

9. FEDERAL, STATE AND LOCAL LAWS.
   A. CONSULTANT warrants that in the performance of this CONTRACT, it shall exercise usual and customary professional care in its efforts to comply with all applicable federal, state and local laws, statutes and ordinances and all lawful orders, rules and regulations promulgated thereunder. In the event of a conflict between the laws and lawful regulations of any government entities having jurisdiction over the project, the CONSULTANT shall notify COMMISSION of the nature and impact of such conflict. The COMMISSION agrees to cooperate and work with the CONSULTANT in an effort to resolve any conflict.

   B. Those laws, statutes, ordinances, rules, regulations and procedural requirements that are imposed on COMMISSION as a recipient of federal or state funds are imposed on CONSULTANT.

10. NON-DISCRIMINATION AND COMPLIANCE PROVISIONS.
    A. The CONSULTANT’s signature affixed herein and dated shall constitute a certification under penalty of perjury under the laws of the State of California that the CONSULTANT has, unless exempt, complied with the nondiscrimination program requirements of Gove Code 12990 and 2 CCR 8103. CONSULTANT and subconsultants shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment.

    During the performance of this CONTRACT, the CONSULTANT and its subconsultants shall not deny the CONTRACT benefits to any person on the basis of race, color, sex, gender, religious creed, national origin, ancestry, physical disability (including HIV and AIDS status), mental disability, medical condition (e.g., cancer), genetic information, marital status, gender, gender identity, gender expression, age, sexual orientation, military or veteran status. CONSULTANT and subconsultants shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Such action shall include, but not be limited to, the following: recruitment; advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training (including apprenticeship), employment, upgrading, demotion, or transfer. The CONSULTANT agrees to post in conspicuous places, available to employees and applicants for employment, notice setting forth the provisions of this non-discrimination clause.

    CONSULTANT and subconsultants shall comply with the provisions of the Fair Employment and Housing Act (Government. Code §12990 et seq.) and the applicable regulations promulgated thereunder (.2 CCR 11000et seq.), the provisions of Government Code section 11135 to 11139.5, and the regulations of standards adopted by the COMMISSION to implement such article.
C. CONSULTANT and its subconsultants shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other CONTRACT.

D. CONSULTANT shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this contract.

E. The CONSULTANT, with regard to the work performed under this CONTRACT, shall act in accordance with Title VI of the Civil Rights Act of 1964 (42 U.S.C. §2000d et seq.). Title VI provides that the recipients of federal assistance will implement and maintain a policy of nondiscrimination in which no person in the United States shall, on the basis of race, color, national origin, religion, sex, age, disability, be excluded from participation in, denied the benefits of or subject to discrimination under any program or activity by the recipients of federal assistance or their assignees and successors in interest.

F. The CONSULTANT shall comply with regulations relative to non-discrimination in federally-assisted programs of the U.S. Department of Transportation (49 CFR Part 21 - Effectuation of Title VI of the Civil Rights Act of 1964). Specifically, the CONSULTANT shall not participate either directly or indirectly in the discrimination prohibited by 49 CFR §21.5, including employment practices and the selection and retention of subconsultants.

G. CONSULTANT and its subconsultants shall permit access to all records of employment, employment advertisements, application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission or any other agency of the State of California designated by State to investigate compliance with this Article.

H. In the event of CONSULTANT’s non-compliance with the non-discrimination clauses of this CONTRACT or with any of the said rules, regulations or orders the COMMISSION may cancel, terminate or suspend the CONTRACT in whole or in part. CONSULTANT may also be declared ineligible for further agreements with the COMMISSION.

11. HARASSMENT. The COMMISSION maintains a strict policy prohibiting unlawful harassment, including sexual harassment, in any form, including verbal, physical and visual harassment by any employee, supervisor, manager, officer or Board member, or agent of the employer. Vendors, contractors, and consultants shall not engage in conduct that has an effect of unreasonably interfering with a COMMISSION employee's work performance or creates an intimidating, hostile or offensive work environment.

12. PROHIBITION OF EXPENDING COMMISSION, STATE, OR FEDERAL FUNDS FOR LOBBYING.

A. CONSULTANT certifies to the best of his or her knowledge and belief that:

1. No state, federal or COMMISSION appropriated funds have been paid, or will be paid by-or on behalf of CONSULTANT to any person for influencing or attempting to influence an officer or employee of any state or agency; a Member of the State Legislature or United States Congress; an officer or employee of the Legislature or Congress; or any employee of a Member of the State Legislature or United States Congress, or any employee of a Member of the Legislature or Congress, in connection with the awarding this CONTRACT or with the extension, continuation, renewal, amendment, or modification of this CONTRACT.

2. If any funds other than state or federal appropriated funds have been paid, or will be paid to any person for influencing or attempting to influence an officer or employee agency; a Member of Congress; an officer or employee of Congress, or an employee of a Member of Congress; in connection with this the CONSULTANT shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying”, in accordance with its instructions.

B. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making
or entering into this transaction imposed by Section 1352, Title 31, US. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

C. CONSULTANT also agrees by signing this document that he or she shall require that the language of this certification be included in all lower-tier subcontracts, which exceed $100,000, and that all such sub recipients shall certify and disclose accordingly.

13. CONFLICT OF INTEREST.

A. During the term of this agreement, CONSULTANT shall disclose any financial, business, or other relationship with COMMISSION that may have an impact upon the outcome of this CONTRACT, or any ensuing COMMISSION construction project. CONSULTANT shall also list current clients who may have a financial interest in the outcome of this CONTRACT, or any ensuing COMMISSION construction project, which will follow.

B. CONSULTANT certifies that it has disclosed to COMMISSION any actual, apparent, or potential conflicts of interest that may exist relative to the services to be provided pursuant to this CONTRACT. CONSULTANT agrees to advise COMMISSION of any actual, apparent or potential conflicts of interest that may develop subsequent to the date of execution of this CONTRACT. CONSULTANT further agrees to complete any statements of economic interest if required by either COMMISSION ordinance or State law.

C. CONSULTANT hereby certifies that it does not now have, nor shall it acquire any financial or business interest that would conflict with the performance of services under this CONTRACT. The CONSULTANT hereby certifies that the CONSULTANT or subconsultant and any firm affiliated with the CONSULTANT or subconsultant that bids on any construction contract or on any Agreement to provide construction inspection for any construction project resulting from this AGREEMENT, has established necessary controls to ensure a conflict of interest does not exist. An affiliated firm is one, which is subject to the control of the same persons, through joint ownership or otherwise.

D. CONSULTANT hereby certifies that neither CONSULTANT, its employees, nor any firm affiliated with CONSULTANT providing services on this project prepared the Plans, Specifications, and Estimate for any construction project included within this CONTRACT. An affiliated firm is one, which is subject to the control of the same persons through joint-ownership, or otherwise.

E. CONSULTANT further certifies that neither CONSULTANT or subconsultant, nor any firm affiliated with CONSULTANT or subconsultant that bids on any construction contract or any contract to provide construction inspection for any construction project resulting from this CONTRACT, has established necessary controls to ensure a conflict of interest does not exist. An affiliate firm is one, which is subject to the control of the same persons, through joint ownership or otherwise.

14. LICENSES. If a license of any kind is required of CONSULTANT, its employees, agents, or subcontractors by Federal or State law, CONSULTANT warrants that such license has been obtained, is valid and in good standing, that CONSULTANT shall keep it in effect at all times during the terms of this CONTRACT, and that any applicable bond has been posted in accordance with all applicable laws and regulations.

15. DEBARMOUNT AND SUSPENSION CERTIFICATION.

A. CONSULTANT’s signature affixed herein, shall constitute a certification under penalty of perjury under the laws of the State of California, that CONSULTANT or any person associated therewith in the capacity of owner, partner, director, officer, or manager, is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any federal agency; has not been suspended, debarred, voluntarily excluded, or determined ineligible by any federal agency within the past three (3) years; does not have a proposed debarment pending; and
has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three (3) years.

B. Any exceptions to this certification must be disclosed to the COMMISSION. Exceptions will not necessarily result in denial of recommendation for award, but will be considered in determining CONSULTANT responsibility. Disclosures must indicate to whom exceptions apply, initiating agency, and dates of action.

C. Exceptions to the Federal Government Excluded Parties List System maintained by the General Services Administration are to be determined by the Federal highway Administration.

16. INDEPENDENT CONSULTANT STATUS.

A. CONSULTANT and COMMISSION have reviewed and considered the principal test and secondary factors herein and agree that CONSULTANT is an independent CONSULTANT and not an employee of COMMISSION. CONSULTANT is responsible for all insurance (workers compensation, unemployment, etc.) and all payroll related taxes. CONSULTANT is not entitled to any employee benefits provided by the COMMISSION. COMMISSION agrees that CONSULTANT shall have the right to control the manner and means of accomplishing the result contracted for herein.

1. PRINCIPAL TEST: The CONSULTANT rather than COMMISSION has the right to control the manner and means of accomplishing the result contracted for.

2. SECONDARY FACTORS: (a) The extent of control which, by agreement, COMMISSION may exercise over the details of the work is slight rather than substantial; (b) CONSULTANT is engaged in a distinct occupation or business; (c) In the locality, the work to be done by CONSULTANT is usually done by a specialist without supervision, rather than under the direction of an employer; (d) The skill required in the particular occupation is substantial rather than slight; (e) The CONSULTANT rather than the COMMISSION supplies the instrumentalities, tools and work place; (f) The length of time for which CONSULTANT is engaged is of limited duration rather than indefinite; (g) The method of payment of CONSULTANT is by the job rather than by the time; (h) The work is part of a special or permissive activity, program, or project, rather than part of the regular business of COMMISSION; (i) CONSULTANT and COMMISSION believe they are creating an independent CONSULTANT relationship rather than an employer-employee relationship; and (j) The COMMISSION conducts public business.

It is recognized that it is not necessary that all secondary factors support creation of an independent CONSULTANT relationship, but rather that overall there are significant secondary factors which indicate that CONSULTANT is an independent CONSULTANT.

A. It is understood and agreed that CONSULTANT (including CONSULTANT’s employees) is an independent contractor and that no relationship of employer-employee exists between the parties hereto. CONSULTANT’s assigned personnel, officers, employees, agents, or subconsultants shall not be entitled to any benefits payable to COMMISSION employees, including, but not limited to, healthcare, retirement, and leave benefits.

B. CONSULTANT’s obligation to pay its subconsultant(s) is an independent obligation from COMMISSION’S obligation to make payments to the CONSULTANT.

C. COMMISSION is not required to make any deductions or withholds from the compensation payable to CONSULTANT under the provisions of the CONTRACT and is not required to issue W-2 Forms for income and employment tax purposes for any of CONSULTANT’s assigned personnel. CONSULTANT, in the performance of its obligation hereunder, is only subject to the
control or direction of the COMMISSION as to the designation of tasks to be performed and the results to be accomplished.

D. Any third party person(s) employed by CONSULTANT shall be entirely and exclusively under the direction, supervision and control of CONSULTANT. CONSULTANT hereby indemnifies and holds COMMISSION, its governing body, officers, employees, and agents, harmless from any and all claims that may be made against COMMISSION based upon any contention by any third part that an employer-employee relationship exists by reason of this CONTRACT.

E. Except as expressly authorized herein, CONSULTANT's obligations under this CONTRACT are not assignable or transferable, and CONSULTANT shall not subcontract any work, without the prior written approval of the COMMISSION. However, claims for money due or which become due to CONSULTANT from COMMISSION under this CONTRACT may be assigned to a financial institution or to a trustee in bankruptcy, without such approval. Notice of any assignment or transfer whether voluntary or involuntary shall be furnished promptly to the COMMISSION.

17. COST PRINCIPLES AND ADMINISTRATIVE REQUIREMENTS.

A. CONSULTANT agrees that the CONTRACT Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31.000 et seq., shall be used to determine the cost allowability of individual items.

B. CONSULTANT also agrees to comply with federal procedures in accordance with 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

C. Any costs for which payment has been made to CONSULTANT that are determined by subsequent audit to be unallowable under 48 CFR, Part 31 or 2 CFR Part 200 are subject to repayment by CONSULTANT to COMMISSION.

D. When a CONSULTANT or subconsultant is a Non-Profit Organization or an Institution of Higher Education, the Cost Principles for Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards shall apply.

E. Contractor and subcontractors shall establish and maintain, an accounting system conforming to Generally Accepted Accounting Principles (GAAP) to support Requests for Reimbursement which segregate and accumulate the costs of work elements by line item (i.e direct labor, other direct costs, subrecipients/subcontractor, etc) and enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices.

19. RETENTION OF RECORDS/audit.

A. For the purpose of determining compliance with Government Code section 8546.7, CONSULTANT, its subconsultants, and COMMISSION shall maintain and make available for inspection all books, documents, papers, accounting records, Independent CPA Audited Indirect Cost Rate workpapers, and other evidence pertaining to the performance of the CONTRACT, including but not limited to, the costs of administering the CONTRACT. All parties shall make such materials available at their respective offices at all reasonable times during the CONTRACT period and for three years from the date of final payment under the CONTRACT. If any action has occurred relative to the records, the records must be retained until completion of the action and resolution of all issues that arise from it.

B. The state, State Auditor, and COMMISSION shall have access to any books, records, and documents of CONSULTANT and its certified public accountants (CPA) work papers that are pertinent to the CONTRACT and indirect cost rates (ICR) for audit, examinations, excerpts, and transactions, and copies thereof shall be furnished if requested. The Federal Highway
Administration (FHWA) or other authorized representative of the federal government shall also have access to the records described in this paragraph, if federal funds are used in this CONTRACT.

20. **INSPECTION OF WORK.** The CONSULTANT and any subconsultant shall permit the COMMISSION, the STATE, and the FHWA or FTA if federal participating funds are used in this CONTRACT, to review and inspect the project activities and files at all reasonable times during the term of this CONTRACT including review and inspection on a daily basis.

21. **ACKNOWLEDGMENT.** CONSULTANT shall acknowledge in all reports and literature that the material is prepared for and on behalf of the COMMISSION.

22. **WORK PRODUCTS/OWNERSHIP OF DATA.** All material, data, information, and written, graphic or other work produced under this CONTRACT is subject to the unqualified and unconditional right of the COMMISSION to use, reproduce, publish, display, and make derivative use of all such work, or any part of it, free of charge and in any manner and for any purpose; and to authorize others to do so. CONSULTANT shall have no property right therein whatsoever.

A. Upon completion of all work under this CONTRACT, the COMMISSION shall be entitled to and the CONSULTANT shall deliver to the COMMISSION reports, investigations, appraisals, inventories, studies, analysis, drawing and data estimated performed to that date, whether completed or not, and other such materials as may have been prepared by CONSULTANT in performing this CONTRACT which is not CONSULTANT’s privileged information, as defined by law or CONSULTANT’s personnel information along with all other property belonging exclusively to the COMMISSION which is in the CONSULTANT’s possession. Publication of the information derived from work performed or data obtained in connection with services rendered under this CONTRACT must be approved in writing by the COMMISSION.

B. Additionally, it is agreed that the Parties intend this to be an CONTRACT for services and each considers the products and results of the services to be rendered by CONSULTANT hereunder to be work made for hire. CONSULTANT acknowledges and agrees that the work (and all rights therein, including, without limitation, copyright) belongs to and shall be the sole and exclusive property of COMMISSION without restriction or limitation upon its use or dissemination by COMMISSION.

C. Nothing herein shall constitute or be construed to be any representation by CONSULTANT that the work product is suitable in any way for any other project except the one detailed in this CONTRACT. Any reuse by COMMISSION for another project or project location shall be at COMMISSION’s sole risk.

D. Applicable patent rights provisions regarding rights to inventions shall be included in the CONTRACT as appropriate (48 CFR 27, Subpart 27.3 - Patent Rights under Government Contracts for federal-aid contracts).

E. The COMMISSION may permit copyrighting reports or other contract products, subject to its rights in Section E below. If copyrights are permitted, the agreement shall provide that the COMMISSION shall have the royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use; and to authorize others to use, the work for government purposes.

F. If any of the work is subject to copyright, trademark, service mark, or patent, CONSULTANT now grants to the COMMISSION a perpetual, royalty-free, nonexclusive and irrevocable license to use, reproduce, publish, use in the creation of derivative works, and display and perform the work, or any part of it, and to grant to any third party a comparable and coextensive sublicense.

23. **CONFIDENTIALITY OF DATA.**

A. All financial, statistical, personal, technical, or other data and information relative to COMMISSION’s operations, which are designated confidential by COMMISSION and made
available to CONSULTANT in order to carry out this CONTRACT, shall be protected by
CONSULTANT from unauthorized use and disclosure.

B. Permission to disclose information on one occasion, or public hearing held by COMMISSION
relating to the CONTRACT, shall not authorize CONSULTANT to further disclose such
information, or disseminate the same on any other occasion.

C. CONSULTANT shall not comment publicly to the press or any other media regarding the
CONTRACT or COMMISSION’s actions on the same, except to COMMISSION’s staff,
CONSULTANT’s own personnel involved in the performance of this CONTRACT, at public
hearings or in response to questions from a government entity.

D. CONSULTANT shall not issue any news release or public relations item of any nature,
whatsoever, regarding work performed or to be performed under this CONTRACT without prior
review of the contents thereof by COMMISSION, and receipt of COMMISSION’S written
permission.

24. NATIONAL LABOR RELATIONS BOARD CERTIFICATION. In accordance with Public
CONTRACT Code Section 10296, CONSULTANT hereby states under penalty of perjury that no
more than one final unappealable finding of contempt of court by a federal court has been issued
against CONSULTANT within the immediately preceding two-year period, because of
CONSULTANT’s failure to comply with an order of a federal court that orders CONSULTANT to
comply with an order of the National Labor Relations Board.

25. EVALUATION OF CONSULTANT. CONSULTANT’s performance will be evaluated by
COMMISSION. A copy of the evaluation will be sent to CONSULTANT for comments. The
evaluation together with the comments shall be retained as part of the CONTRACT record.

26. DRUG-FREE WORKPLACE. CONSULTANT shall comply with the provisions of Government
Code § 8350 et seq., regarding Drug-Free Workplace Certification, and with the U.S. DOT
regulations "Drug-Free Workplace Requirements Grants" in 49 CFR Part 29, Subpart F.

27. CHANGE IN TERMS.
   A. This Agreement may be amended or modified only by mutual written agreement of the parties.

   B. No alteration or variation of the terms of this CONTRACT shall be valid unless made in writing
   and signed by the parties authorized to bind the parties; and nor oral understanding or agreement
   not incorporated herein, shall be binding on any of the parties hereto.

   C. CONSULTANT shall only commence work covered by an amendment after the amendment is
   executed and notification to proceed has been provided by the COMMISSION’s Contract
   Manager.

28. DISPUTES. This CONTRACT shall be construed under the laws of the State of California. Pending
final resolution of a dispute hereunder, CONSULTANT shall proceed diligently with the performance
of this CONTRACT and shall comply with COMMISSION’s instructions.

Prior to either party commencing any legal action under this CONTRACT, the parties agree to try in
good faith, to settle any dispute amicably between them. If a dispute has not been settled after thirty
(30) days of good-faith negotiations and as may be otherwise provided herein, then either party may
commence legal action against the other.

   A. Any dispute, other than audit disputes, concerning a question of fact arising under
this CONTRACT that is not disposed of by agreement shall be decided by a committee consisting
of the COMMISSION’s Contract Manager and Executive Director, who may consider written or
verbal information submitted by the CONSULTANT. The committee’s determination regarding
such dispute shall be final unless the committee determines, in its sole discretion, that the dispute
shall be determined by the Board of COMMISSION.
B. Not later than 30 days after completion of all work under the CONTRACT, CONSULTANT may request review by COMMISSION Governing Board of unresolved claims or disputes, other than audit. The request for review will be submitted in writing.

C. Neither the pendency of a dispute, nor its consideration by the committee will excuse the CONSULTANT from full and timely performance in accordance with the terms of this CONTRACT.

29. CLAIMS FILED BY COMMISSION's CONSTRUCTION CONTRACTOR.

A. If claims are filed by COMMISSION’s construction contractor relating to work performed by CONSULTANT’s personnel, and additional information or assistance from CONSULTANT’s personnel is required in order to evaluate or defend against such claims; CONSULTANT agrees to make its personnel available for consultation with COMMISSION’S construction CONTRACT administration and legal staff and for testimony, if necessary, at depositions and at trial or arbitration proceedings.

B. CONSULTANT’s personnel that COMMISSION considers essential to assist in defending against construction contractor claims will be made available on reasonable notice from COMMISSION. Consultation or testimony will be reimbursed at the same rates, including travel costs that are being paid for CONSULTANT’s personnel services under this CONTRACT.

C. Services of CONSULTANT’s personnel in connection with COMMISSION’s construction contractor claims will be performed pursuant to a written contract amendment, if necessary, extending the termination date of this CONTRACT in order to resolve the construction claims.

30. AUDIT REVIEW PROCEDURES.

A. Any dispute concerning a question of fact arising under an interim or post-completion audit of this Agreement that is not disposed of by agreement, shall be reviewed by the COMMISSION’S Contract Manager and Executive Director.

B. Not later than 30 days after issuance of the final audit report, the CONSULTANT may request a review by the COMMISSION’S Executive Director of unresolved audit issues. The request for review will be submitted in writing. The Executive Director’s determination regarding such dispute shall be final unless the Executive Director determines, in its sole discretion, that the dispute shall be determined by the RTC COMMISSION.

C. Neither the pendency of a dispute nor its consideration by the COMMISSION will excuse the CONSULTANT from full and timely performance, in accordance with the terms of this CONTRACT.

D. CONSULTANT and subconsultants’ contracts, including cost proposals and indirect cost rates (ICR), are subject to audits or reviews such as, but not limited to, a CONTRACT Audit, an Incurred Cost Audit, an ICR Audit, or a certified public accountant (CPA) ICR Audit Workpaper Review. If selected for audit or review, the CONTRACT, Fee Schedule/Cost Proposal (Exhibit B) and ICR and related workpapers, if applicable, will be reviewed to verify compliance with 48 CFR, Part 31 and other related laws and regulations. In the instances of a CPA ICR Audit Workpaper Review it is CONSULTANT’s responsibility to ensure federal, state, or local government officials are allowed full access to the CPA’s workpapers. The CONTRACT, cost proposal, and ICR shall be adjusted by CONSULTANT and approved by COMMISSION Contract Manager to conform to the audit or review recommendations. CONSULTANT agrees that individual terms of costs identified in the audit report shall be incorporated into the CONTRACT by this reference if directed by COMMISSION at its sole discretion. Refusal by CONSULTANT to incorporate audit or review recommendations, or to ensure that the Federal, State, or local governments have access to CPA workpapers, will be considered a breach of
CONTRACT terms and cause for termination of the CONTRACT and disallowance of prior reimbursed costs.

E. CONSULTANT’s Fee Schedule/Cost Proposal (Exhibit B) may be subject to a CPA ICRA Audit Work Paper Review and/or audit by the Independent Office of Audits and Investigation (IOAI). IOAI, at its sole discretion, may review and/or audit and approve the CPA ICR documentation. The Fee Schedule/Cost Proposal (Exhibit B) shall be adjusted by the CONSULTANT and approved by the COMMISSION Contract Manager to conform to the Work Paper Review recommendations included in the management letter or audit recommendations included in the audit report. Regular by the CONSULTANT to incorporate the Work Paper Review recommendations included in the management letter or audit recommendations included in the audit report will be considered a breach of the CONTRACT terms and cause for termination of the CONTRACT and disallowance of prior reimbursed costs.

1) During IOAI’s review of the ICR audit work papers created by the CONSULTANT’s independent CPA, IOAI will work with the CPA and/or CONSULTANT toward a resolution of issues that arise during the review. Each party agrees to use its best efforts to resolve any audit disputes in a timely manner. If IOAI identifies significant issues during the review and is unable to issue a cognizant approval letter, COMMISSION will reimburse the CONSULTANT at an accepted ICR until a FAR (Federal Acquisition Regulation) compliant ICR {e.g. 48 CFR Part 31; GAGAS (Generally Accepted Auditing Standards); CAS (Cost Accounting Standards), if applicable; in accordance with procedures and guidelines of the American Association of State Highways and Transportation Officials (AASHTO) Audit Guide; and other applicable procedures and guidelines} is received and approved by IOAI.

Accepted rates will be as follows:

a. If the proposed rate is less than one hundred fifty percent (150%) - the accepted rate reimbursed will be ninety percent (90%) of the proposed rate.

b. If the proposed rate is between one hundred fifty percent (150%) and two hundred percent (200%) - the accepted rate will be eighty-five percent (85%) of the proposed rate.

c. If the proposed rate is greater than two hundred percent (200%) - the accepted rate will be seventy-five percent (75%) of the proposed rate.

2. If IOAI is unable to issue a cognizant letter per paragraph E.1. above, IOAI may require CONSULTANT to submit a revised independent CPA-audited ICR and audit report within three months of the effective date of the management letter. IOAI will then have up to six (6) months to review the CONSULTANT’s and/or the independent CPA’s revisions.

3. If the CONSULTANT fails to comply with the provisions of this paragraph E, or if IOAI is still unable to issue a cognizant approval letter after the revised independent CPA audited ICR is submitted, overhead cost reimbursement will be limited to the accepted ICR that was established upon initial rejection of the ICR and set forth in paragraph E.1. above for all rendered services. In this event, this accepted ICR will become the actual and final ICR for reimbursement purposes under this AGREEMENT.

4. CONSULTANT may submit to COMMISSION final invoice only when all of the following items have occurred: (1) IOAI accepts or adjusts the original or revised independent CPA audited ICR; (2) all work under this AGREEMENT has been completed to the satisfaction of COMMISSION; and, (3) IOAI has issued its final ICR review letter. The CONSULTANT MUST SUBMIT ITS FINAL INVOICE TO COMMISSION no later than sixty (60) calendar days after occurrence of the last of these
The accepted ICR will apply to this AGREEMENT and all other agreements executed between COMMISSION and the CONSULTANT, either as a prime or subconsultant, with the same fiscal period ICR.

31. SUBCONTRACTING.

A. The CONSULTANT is responsible for performing the work required under the CONTRACT in a manner acceptable to COMMISSION. The CONSULTANT’s organization and all associated consultants and subconsultants must be identified in Article 1 of this CONTRACT or the Fee Schedule/Cost Proposal (Exhibit B). If the CONSULTANT wishes to use a subconsultant not specified in this CONTRACT or Exhibit B, prior written approval must be obtained from the local agency. The subcontract must contain all required provisions of this CONTRACT. All subawards must include adequate oversight, management, and administration of engineering and design related consultant services and be administered in accordance with State laws and procedures specified in 23 U.S.C.106(g)(4) and 2 CFR 200.331.

B. Nothing contained in this CONTRACT or otherwise, shall create any contractual relation between COMMISSION and any subconsultant(s), and no subcontract shall relieve CONSULTANT of its responsibilities and obligations hereunder. CONSULTANT agrees to be as fully responsible to COMMISSION for the acts and omissions of its subconsultant(s) and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by CONSULTANT. CONSULTANT’s obligation to pay its subconsultant(s) is an independent obligation from COMMISSION’S obligation to make payments to the CONSULTANT.

C. The CONSULTANT shall perform the work contemplated with resources available within its own organization; and no portion of the work pertinent to this CONTRACT shall be subcontracted without prior written authorization by the COMMISSION’S Contract Manager, except that, which is expressly identified in the approved Fee Schedule/Cost Proposal (Exhibit B).

D. CONSULTANT shall pay its subconsultants within fifteen (15) calendar days from receipt of each payment made to CONSULTANT by COMMISSION.

E. All subcontracts entered into as a result of this CONTRACT shall contain all the provisions stipulated in this CONTRACT to be applicable to subconsultants.

F. Any substitution of subconsultants must be approved in writing by the COMMISSION’s Contract Manager prior to the start of work by the subconsultant.

G. The CONSULTANT hereby agrees that neither CONSULTANT, nor any firm affiliated with the CONSULTANT, will bid on or enter into any construction CONTRACT, or on any CONTRACT to provide construction inspection for any construction project resulting from this CONTRACT. An affiliated firm is one which is subject to the control of the same persons through joint-ownership, or otherwise.

G. Except for subconsultants whose services are limited to providing surveying or materials testing information, no subconsultant who has provided design services in connection with this CONTRACT shall be eligible to bid on or enter into any construction contract, or on any contract to provide construction inspection for any construction project resulting from this CONTRACT.

32. EQUIPMENT PURCHASE.

A. Prior authorization in writing, by COMMISSION’s Contract Manager shall be required before CONSULTANT enters into any unbudgeted purchase order, or subcontract exceeding $5,000 for supplies, equipment, or CONSULTANT services. CONSULTANT shall provide an evaluation of the necessity or desirability of incurring such costs.
B. For purchase of any item, service or consulting work not covered in CONSULTANT’s Fee Schedule/Cost Proposal (Exhibit B) and exceeding $5,000 prior authorization by COMMISSION’s Contract Manager; three competitive quotations must be submitted with the request, or the absence of bidding must be adequately justified.

C. Any equipment purchased as a result of this CONTRACT is subject to the following:

1. “CONSULTANT shall maintain an inventory of all nonexpendable property. Nonexpendable property is defined as having a useful life of at least two years and an acquisition cost of $5,000 or more. If the purchased equipment needs replacement and is sold or traded in, COMMISSION shall receive a proper refund or credit at the conclusion of the CONTRACT, or if the CONTRACT is terminated, CONSULTANT may either keep the equipment and credit COMMISSION in an amount equal to its fair market value, or sell such equipment at the best price obtainable at a public or private sale, in accordance with established COMMISSION procedures; and credit COMMISSION in an amount equal to the sales price. If CONSULTANT elects to keep the equipment, fair market value shall be determined at CONSULTANT’s expense, on the basis of a competent independent appraisal of such equipment. Appraisals shall be obtained from an appraiser mutually agreeable to by COMMISSION and CONSULTANT, if it is determined to sell the equipment, the terms and conditions of such sale must be approved in advance by COMMISSION.”

2. Regulation 2 CFR, Part 200 requires a credit to Federal funds when participating equipment with a fair market value greater than $5,000 is credited to the project.

33. STATE PREVAILING WAGE RATES.

A. CONSULTANT shall comply with the State of California’s General Prevailing Wage Rate requirements in accordance with California Labor Code, Section 1770, and all Federal, State, and local laws and ordinances applicable to the work, as may be amended.

B. No CONSULTANT or subconsultant may be awarded a contract containing public work elements unless registered with the Department of Industrial Relations (DIR) pursuant to Labor Code 1725.5. Registration with DIR must be maintained throughout the entire term of the contract, including any subsequent amendments.

C. The CONSULTANT shall comply with all of the applicable provisions of the California Labor Code requiring the payment of prevailing wages. The General Prevailing Wage Rate Determination applicable to work under this CONTRACT are available and on file with the Department of Transportation’ Regional/District Labor Compliance Officer. (https://dot.ca.gov/programs/construction/labor-compliance). These wage rates are made a specific part of this CONTRACT by reference pursuant to Labor Code §1773.2 and will be applicable to work performed at a construction project site. Prevailing wages will be applicable to all inspection work performed at COMMISSION construction sites, at COMMISSION facilities and at off-site locations that are set up by the construction contractor or one of its subcontractors solely and specifically to serve COMMISSION projects. Prevailing wage requirements do not apply to inspection work performed at the facilities of vendors and commercial materials suppliers that provide goods and services to the general public.

D. General Prevailing Wage Rate Determinations applicable to this project may also be obtained from the Department of Industrial Relations website at http://www.dir.ca.gov.

E. Payroll Records

1. Each CONSULTANT and Subconsultant shall keep accurate certified payroll records and supporting documents as mandated by Labor Code §1776 and as defined in 8 CCR §16000 showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid.
to each journeyman, apprentice, worker, or other employee employed by the CONSULTANT or Subconsultant in connection with the public work. Each payroll record shall contain or be verified by a written declaration that it is made under penalty of perjury, stating both of the following:

a. The information contained in the payroll record is true and correct.

b. The employer has complied with the requirements of Labor Code §1771, §1811, and §1815 for any work performed by his or her employees on the public works project.

2. The payroll records enumerated under paragraph (1) above shall be certified as correct by the CONSULTANT under penalty of perjury. The payroll records and all supporting documents shall be made available for inspection and copying by COMMISSION representatives at all reasonable hours at the principal office of the CONSULTANT. The CONSULTANT shall provide copies of certified payrolls or permit inspection of its records as follows:

a. A certified copy of an employee's payroll record shall be made available for inspection or furnished to the employee or the employee's authorized representative on request.

b. A certified copy of all payroll records enumerated in paragraph (1) above, shall be made available for inspection or furnished upon request to a representative of COMMISSION, the Division of Labor Standards Enforcement and the Division of Apprenticeship Standards of the Department of Industrial Relations or other party given the right to inspect the payroll records under state law. Certified payrolls submitted to COMMISSION, the Division of Labor Standards Enforcement and the Division of Apprenticeship Standards shall not be altered or obliterated by the CONSULTANT.

c. The public shall not be given access to certified payroll records by the CONSULTANT, but shall be available upon request made through COMMISSION or the Department of Industrial Relations. The CONSULTANT is required to forward any requests for certified payrolls to the COMMISSION Contract Administrator by both email and U.S. mail no later than the business day following receipt of the request.

3. Each CONSULTANT shall submit a certified copy of the records enumerated in paragraph (1) above, to the entity that requested the records within ten (10) calendar days after receipt of a written request. In the case of a request from a member of the public, the ten (10) days shall be from the date of the request from the member of the public. In the event the CONSULTANT or Subconsultant fails to comply within the ten (10) day period, the CONSULTANT or Subconsultant shall, as a penalty to COMMISSION, forfeit one hundred dollars ($100) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Such penalties shall be withheld by COMMISSION from payments then due. CONSULTANT is not subject to a penalty assessment pursuant to this section due to the failure of a Subconsultant to comply with this section.

4. Any copy of records made available for inspection as copies and furnished upon request to the public or any public agency by COMMISSION shall be marked or obliterated in such a manner as to prevent disclosure of each individual's name, address, and social security number. The name and address of the CONSULTANT or Subconsultant performing the work shall not be marked or obliterated.
5. The CONSULTANT shall inform COMMISSION of the location of the records enumerated under paragraph (1) above, including the street address, city and county, and shall, within five (5) working days, provide a notice of a change of location and address.

6. In the event the CONSULTANT or subconsultant fails to comply within the ten (10) day period, he or she shall, as a penalty to COMMISSION, forfeit one hundred dollars ($100) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Such penalties shall be withheld by COMMISSION from payments then due. CONSULTANT is not subject to a penalty assessment pursuant to this section due to the failure of a subconsultant to comply with this section.

E. When prevailing wage rates apply, the CONSULTANT is responsible for verifying compliance with certified payroll requirements. Invoice payment will not be made until the invoice is approved by the COMMISSION Contract Manager.

F. Penalty

1. The CONSULTANT and any of its subconsultants shall comply with Labor Code §1774 and §1775. Pursuant to Labor Code §1775, the CONSULTANT and any subconsultant shall forfeit to the COMMISSION a penalty of not more than two hundred dollars ($200) for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of DIR for the work or craft in which the worker is employed for any public work done under the CONTRACT by the CONSULTANT or by its subconsultant in violation of the requirements of the Labor Code and in particular, Labor Code §§1770 to 1780, inclusive.

2. The amount of this forfeiture shall be determined by the Labor Commissioner and shall be based on consideration of mistake, inadvertence, or neglect of the CONSULTANT or subconsultant in failing to pay the correct rate of prevailing wages, or the previous record of the CONSULTANT or subconsultant in meeting their respective prevailing wage obligations, or the willful failure by the CONSULTANT or subconsultant to pay the correct rates of prevailing wages. A mistake, inadvertence, or neglect in failing to pay the correct rates of prevailing wages is not excusable if the CONSULTANT or subconsultant had knowledge of the obligations under the Labor Code. The CONSULTANT is responsible for paying the appropriate rate, including any escalations that take place during the term of the CONTRACT.

3. In addition to the penalty and pursuant to Labor Code §1775, the difference between the prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the CONSULTANT or subconsultant.

4. If a worker employed by a subconsultant on a public works project is not paid the general prevailing per diem wages by the subconsultant, the prime CONSULTANT of the project is not liable for the penalties described above unless the prime CONSULTANT had knowledge of that failure of the subconsultant to pay the specified prevailing rate of wages to those workers or unless the prime CONSULTANT fails to comply with all of the following requirements:

   a. The CONTRACT executed between the CONSULTANT and the subconsultant for the performance of work on public works
projects shall include a copy of the requirements in Labor Code §§ 1771, 1775, 1776, 1777.5, 1813, and 1815.

b. The CONSULTANT shall monitor the payment of the specified general prevailing rate of per diem wages by the subconsultant to the employees by periodic review of the certified payroll records of the subconsultant.

c. Upon becoming aware of the subconsultant’s failure to pay the specified prevailing rate of wages to the subconsultant’s workers, the CONSULTANT shall diligently take corrective action to halt or rectify the failure, including but not limited to, retaining sufficient funds due the subconsultant for work performed on the public works project.

d. Prior to making final payment to the subconsultant for work performed on the public works project, the CONSULTANT shall obtain an affidavit signed under penalty of perjury from the subconsultant that the subconsultant had paid the specified general prevailing rate of per diem wages to the Subconsultant’s employees on the public works project and any amounts due pursuant to Labor Code §1813.

5. Pursuant to Labor Code §1775, COMMISSION shall notify the CONSULTANT on a public works project within fifteen (15) calendar days of receipt of a complaint that a subconsultant has failed to pay workers the general prevailing rate of per diem wages.

6. If COMMISSION determines that employees of a subconsultant were not paid the general prevailing rate of per diem wages and if COMMISSION did not retain sufficient money under the CONTRACT to pay those employees the balance of wages owed under the general prevailing rate of per diem wages, the CONSULTANT shall withhold an amount of moneys due the subconsultant sufficient to pay those employees the general prevailing rate of per diem wages if requested by COMMISSION.

G. Hours of Labor: Eight (8) hours labor constitutes a legal day’s work. The CONSULTANT shall forfeit, as a penalty to the COMMISSION, twenty-five dollars ($25) for each worker employed in the execution of the CONTRACT by the CONSULTANT or any of its subconsultants for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of the Labor Code, and in particular §§1810 to 1815 thereof, inclusive, except that work performed by employees in excess of eight (8) hours per day, and forty (40) hours during any one week, shall be permitted upon compensation for all hours worked in excess of eight (8) hours per day and forty (40) hours in any week, at not less than one and one-half (1.5) times the basic rate of pay, as provided in §1815.

H. Employment of Apprentices

1. Where either the CONTRACT or the subcontract exceeds thirty thousand dollars ($30,000), the CONSULTANT and any subconsultants under him or her shall comply with all applicable requirements of Labor Code §§ 1777.5, 1777.6 and 1777.7 in the employment of apprentices.

2. CONSULTANTs and subconsultants are required to comply with all Labor Code requirements regarding the employment of apprentices, including mandatory
ratios of journey level to apprentice workers. Prior to commencement of work, CONSULTANT and subconsultants are advised to contact the DIR Division of Apprenticeship Standards website at https://www.dir.ca.gov/das/, for additional information regarding the employment of apprentices and for the specific journey-to-apprentice ratios for the CONTRACT work. The CONSULTANT is responsible for all subconsultants’ compliance with these requirements. Penalties are specified in Labor Code §1777.7.

I. When prevailing wages apply to the services described in the scope of work, transportation and subsistence costs shall be reimbursed at the minimum rates set by the Department of Industrial Relations (DIR) as outlined in the applicable Prevailing Wage Determination. See http://www.dir.ca.gov.

35. **REBATES, KICKBACKS OR OTHER UNLAWFUL CONSIDERATION.** The CONSULTANT warrants that this CONTRACT was not obtained or secured through rebates, kickbacks, or other unlawful consideration, either promised or paid to any COMMISSION employee. For breach or violation of this warranty, COMMISSION shall have the right in its discretion; to terminate the CONTRACT without liability; to pay only for the value of the work actually performed; or to deduct from the CONTRACT price; or otherwise recover the full amount of such rebate, kickback or other unlawful consideration.

36. **BROKERAGE OR OTHER FEES.** CONSULTANT warrants that no person or selling agency has been employed or retained to solicit or secure this CONTRACT upon an agreement or understanding, for a commission, percentage, brokerage or contingent, excepting bona fide employees or bona fide commercial or selling agencies maintained by the CONSULTANT for the purpose of securing business. For breach or violation of this warranty, the COMMISSION shall have the right to annul this agreement without liability, or at its discretion to deduct from the agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.”

37. **NOTIFICATION.** All notices hereunder and communications regarding interpretation of the terms of this CONTRACT and changes thereto, shall be effected by the mailing thereof by registered or certified mail, return receipt requested, postage prepaid, and addressed or emailing with delivery receipt requested as follows:

   **CONSULTANT:** MNS Engineers, Inc.
   Paul Goryl, Project Manager
   111 North Market Street, Ste 440
   San Jose, CA 95113
   pgoryl@mnsengineers.com

   **COMMISSION:** Santa Cruz County Regional Transportation Commission (SCCRTC)
   Sarah Christensen, Contract Manager
   1523 Pacific Ave
   Santa Cruz, CA 95060

38. **FORCE MAJEURE**

Neither COMMISSION nor CONSULTANT will be liable for any breach or failure to perform under this CONTRACT or any other documents incorporated by reference herein if such breach or failure to perform is due to acts beyond the reasonable control of such party, which include by way of illustration, but not limitation, acts of God or public enemy, acts of federal, state, or local government, either in its sovereign or contractual capacity, fire, floods, epidemics and quarantines, civil disobedience, strikes, lock-outs, freight embargoes, or severe weather provided, however, that party which has been so affected will promptly give written notice to the other of the fact that it is
unable to so perform and the cause(s) therefore. The party claiming force majeure shall promptly notify the other party of the termination of the event and shall resume its performance under this CONTRACT immediately upon the cessation of such cause(s). During the period that the performance by one of the parties of its obligations under this CONTRACT has been suspended because of an event of force majeure, the other party may likewise suspend the performance of its obligations under this CONTRACT to the extent that the suspension is reasonable.

39. **COMPLETE CONTRACT.**

A. **CONTRACT:** The two parties to this CONTRACT, who are the before named CONSULTANT and the before named COMMISSION, hereby agree that this CONTRACT constitutes the entire CONTRACT which is made and concluded in duplicate between the two parties. Both of these parties for and in consideration of the payments to be made, conditions mentioned, and work to be performed; each agree to diligently perform in accordance with the terms and conditions of this CONTRACT as evidenced by the signatures below.

B. **COMMISSION DESIGNEE:** The Executive Director of COMMISSION, or his or her designee, shall have the authority to act for and exercise any of the rights of COMMISSION as set forth in this CONTRACT subsequent to, and in accordance with the authorization granted by the COMMISSION.

C. **COMPLETE AGREEMENT, INCLUDING ATTACHMENTS.** This CONTRACT includes all exhibits, attachments, and documents incorporated herein and made applicable by reference, constitutes the complete and exclusive statement of the terms and conditions of the CONTRACT between COMMISSION and CONSULTANT, and supersedes all prior representations, understandings and communications. The invalidity in whole or in part of any term or condition of this CONTRACT shall not affect the validity of other terms or conditions. The COMMISSION’s waiver of CONSULTANT’s performance of any term(s) or condition(s) of this CONTRACT shall not be construed as a waiver for any future performance of such term(s) or conditions(s).

D. Attachments are:
   - Exhibit A: Scope of Services
   - Exhibit B: Fee Schedule/Cost Proposal

   Required Caltrans LAPM Forms:
   - LAPM Exhibit 10-K
   - LAPM Exhibit 10-H2

Each of the undersigned represents and warrants that he or she is duly authorized to execute and deliver this Agreement and that such execution is binding upon the entity for which he or she is executing this document.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement No. ____________ to be executed on the date first written above.

2. **CONSULTANT**

By: _______________________________  SIGNED
     PRINTED  DATE:  _______________________

4. **SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION**

By: _______________________________  SIGNED
     PRINTED  DATE:  _______________________

9-57
3. APPROVED AS TO INSURANCE: ___________________________

RTC Administrative Services Officer

DATE: _______________________

DISTRIBUTION:

- RTC Fiscal & Contract Manager
- CONSULTANT

1. APPROVED AS TO FORM: _______________________________________

COMMISSION Counsel

DATE: ___________________________

\RTCSERV2\Internal\RAIL\SCBRL On-Call Engineering Services\Storm Damage CM Phase 2\Draft Contract\Storm Damage Phase 2_CM_MNS_Site 5.docx
Exhibit A: Scope of Services
MNS’ services will be divided into three phases: Phase 1 – Pre-Construction; Phase 2 – Construction Services; and Phase 3 – Project Closeout. The following scope of work provides a brief description of tasks and responsibilities MNS will provide.

PHASE 1.0  PRE-CONSTRUCTION PHASE SERVICES

Task 1.1  Project Review, Pre-Job Coordination and Project Set-Up
Upon receipt of the Notice to Proceed from the SCCRTC, MNS will contact the key individuals involved in the project and establish a clear protocol for the contract administration, lines of communication, and levels of authorization. MNS Project Manager, Paul Goryl, PE, will coordinate with the RTC Project Manager to establish a firm foundation of communication and understanding of the project. MNS will set up documentation and filing systems consistent with the Caltrans LAPM and meets the FEMA and OES requirements.

Task 1.2  Development of Construction Schedule
After review of the final plans and specifications, MNS will review and comment on the construction schedule developed by the Program Manager which optimizes the number of working days to be specified for each project.

Task 1.3  Constructability/Biddability Review
MNS will review and comment on the constructability/biddability review performed by the Program Manager. Constructability/biddability comments will be discussed with the RTC Program Manager and Designer, and resolutions incorporated into a bid addendum if required.

Task 1.4  Advertise Construction Contract, Bid Assistance and Management
As funding for the construction contract includes state and federal funding sources, the advertise and award procedures contained in the Caltrans Local Assistance Procedures Manual (LAPM) will be used. MNS will assist in reviewing the bid documents to ensure necessary documents and forms are included with the bid package.

During the advertising period, the MNS team will manage bid enquiries and responses back to potential bidders. The responses will involve timely coordination with the Designer, RTC and their Program Manager, and possibly others such as RTC’s legal council. The resulting responses from potential bidder enquiries may or may not require a contract or PS&E addenda. If contract or PS&E addenda are required, MNS will coordinate the addenda preparation and distribute to potential bidders and ensure that all bidders certify receipt of all addenda.

MNS will assist the RTC with their online bidding process with Bid Express, which will include an electronic plan room to distribute the bidding documents and to disseminate bid inquiry/responses and addendums to the potential bidders.

Task 1.5  Bid Opening and Award
It is assumed that the RTC will follow the FHWA policy requiring bids to be opened publicly and read aloud either item-by-item or by total amount. Just as the bid may be rejected for being irregular or unresponsive, a bid may also be rejected on the grounds that the bidder is not a responsible bidder. MNS will conduct an initial review of the bids to determine if all bids received are responsive and from responsible bidders (contractor not suspended or debarred from state or federal contracts). The RTC’s bid opening procedures will be followed and are assumed to include:

- Bids submitted include a completed addenda certification statement.
- The bids shall be retained in BidExpress until the designated time and place for public opening.
• All bids received in accordance with the terms of the advertisement shall be publicly opened and announced either item by item or by total amount.
• If any bid received is not read aloud, the name of the bidder and the reason for not reading the bid aloud shall be publicly announced at the bid opening.
• Negotiation with contractors, during the period following the opening of bids and before the award of the contract shall not be permitted.

MNS will conduct a bid analysis for the projects. The bid analysis process is an examination of the unit bid prices for reasonable conformance with the engineer’s estimated prices, it forms the basis to justify the award or rejection of the bids and should assure that good competition and the lowest possible cost were received.

If any bid protests are received by the RTC, MNS will assist in review, evaluation and response to protests received, in accordance with the RTC’s procedures, the contract specifications and any amendments thereto. After review and evaluation of any bid protests, the MNS will issue a recommendation to the RTC to reject or accept the bid protest for subsequent formal review, consideration, and action by the RTC Board.

Task 1.6 Pre-Construction Conference
A pre-construction conference will be scheduled. All appropriate parties will be invited including the selected contractor, RTC staff, and any other involved entities at the RTC’s discretion. At the pre-construction conference, we will discuss the hierarchy of both the RTC and the contractor as well as establish the protocol to be used throughout the project. Safety will be an important item discussed thoroughly to ensure a safe working environment for the contractor and the public. The meeting will set the tone of cooperation for the project and elaborate on contract requirements and concerns. MNS will distribute meeting minutes to all parties in attendance.

PHASE 2.0 CONSTRUCTION PHASE SERVICES
Task 2.1 Contract Administration/Document Control
MNS will implement the project administration system discussed in Task 1.1. Our system will contain a method for organizing files forms, and spreadsheets to assist in tracking correspondence, submittals, requests for information (RFIs), contract change orders (CCOs), progress payments, and documenting materials testing results. Contract administration includes:

- Diaries
- Labor compliance and certified payrolls
- Logs for submittals, RFIs, CCOs, and materials testing results
- Correspondence, permits, and agreements
- Progress schedule/Weekly Statement of Working Days (WSWDs)
- Progress Pay Estimates and quantities
- FEMA documentation
- Safety and traffic control
- Weekly meetings agenda and minutes

Task 2.2 Project Communication and Coordination
The MNS Resident Engineer/Inspector will oversee project communication and coordination with the RTC, emergency services, residents, any utility companies, contractor, and materials technicians throughout the construction phase. The pre-construction conference and weekly progress meetings will help the construction team to stay abreast of project issues and progress.
Task 2.3 Project Schedule Adherence
MNS will request a schedule from the contractor prior to construction. The MNS Resident Engineer will require and review the three-week-look-ahead schedule from the contractor on a weekly basis. This schedule will assist in managing the contractor’s progress and allows our team to coordinate and schedule materials and soils testing. The contractor will issue WSWDs to document the progress of the work and the number of working days expended.

Task 2.4 Cost Control
The project’s document control system will track and monitor the actual project construction costs. The tracking of contract item payments and quantities is incorporated into the progress payment spreadsheet. The project contingency balance will be verified as part of the monthly progress pay estimate review and submittal.

Task 2.5 Quantity Calculations and Progress Estimate
MNS will prepare accurate and complete quantity calculations (Q-sheets) for each contract item and each progress pay estimate. The MNS Resident Engineer will track any extra work and supplemental work costs to be compared against the authorized change order amounts. We will review the contractor’s monthly Request for Payment and recommend approval for payment to the RTC.

Task 2.6 Submittals/RFIs
MNS will perform timely review of submittals and RFIs; all submittals and RFIs will be logged and distributed as necessary. The Resident Engineer will monitor the log to verify responses are submitted in a timely manner. Initial submittals to be reviewed and approved as the first order of work include:

- Project schedule
- Safety Plan
- SWPPP/WPCP
- Materials Submittals

Task 2.7 Change Orders and Claims Management
Prior to beginning any contract work, we will coordinate with the RTC to define the CCO process. All CCOs must define the project scope of work and limits and comply with the project documents. Our construction management team will be proactive in identifying actual and potential problems and work towards a timely and cost-effective solution. The Resident Engineer will:

- Determine the validity and justification for all change orders
- Notify the RTC if a change order is needed
- Negotiate costs with the contractor
- Process through the RTC

MNS will work closely with the RTC Project Manager, and contractor to resolve all change orders and/or disputes. That said, if a dispute has been filed, MNS will work diligently to thoroughly understand the nature and extent of the dispute and resolve it as quickly as possible. We will act on and process any Notice of Potential Claims (NOPCs) submitted by the contractor in a timely manner and in accordance with the contract documents and the RTC’s procedures.

Task 2.8 Construction Inspection
The MNS Inspector will implement the inspection guidelines for monitoring the quality of the contractor's work. The Inspector will be onsite as required to inspect the work is performed safely and in accordance with the contract documents.

The Inspector’s responsibilities will also include:

**Inspection.** Inspect the construction for compliance to the plans and specifications.
Traffic Control. Inspect the contractor’s traffic control per approved standards. Notify the contractor of any perceived unsafe conditions.

Daily Reports. Prepare inspection reports, quantities, note any safety issues, and include an accurate description of the work, labor, and equipment. Note any extra work or changes to the plans. Maintain photographic record of construction.

Materials. Verify approved materials are incorporated into the project.

Record Drawings. Maintain a set of field as-built plans.

Punch List. Prepare punch list and inspect for completion of punch list work items. Perform final walkthrough with the RTC Project Manager and the contractor.

Task 2.9 Site Documentation
MNS will take pre-construction site photos to document the existing condition of the project limits prior to construction. Our team will also document construction throughout the life of the project. All photos will be logged and filed in the project files.

Task 2.10 Safety
The contractor has sole responsibility for compliance with safety requirements on the construction contract, but the construction management team will monitor compliance with their safety program and advise the contractor of observed deficiencies that need to be addressed. The contractor’s approved Safety Plan, Manual on Uniform Traffic Control Devices (MUTCD), and Cal/OSHA Safety Orders will guide our inspectors in monitoring the contractor’s work.

Task 2.11 Materials Testing
MNS will coordinate with our materials testing subconsultant, Pacific Crest, to provide necessary materials testing for each project.

Task 2.12 Record Drawings (As-Builts)
MNS will track and maintain as-built drawings in accordance with the contract requirements and ensure they are complete. MNS will keep a field set of as-built drawings for use in reviewing the contractor’s copy. Upon completion, the final set of record drawings will be reviewed by the MNS Resident Engineer/Inspector and submitted through the RTC Project Manager for final processing.

Task 2.13 FEMA Support/Documentation Review
MNS will review Supporting Documentation that may be used to support claim of reimbursement from FEMA to RTC. Reviews will be completed at the beginning of the project prior to construction, at the midpoint of construction and at the completion of the project. Example of documents (provided by others, if available) to be reviewed to support the FEMA claim.

- Records that demonstrate the damage to public facility
- Drawings, sketches, and plans of pre-disaster facility design (to scale)
- Drawings and sketches of disaster-related damages (to scale)
- Drawings and sketches of completed or proposed repair (to scale)
- Calculation sheets detailing specific dimensions and quantities of damage
- Force account labor records (i.e., payroll information, timesheets, and administrative policies)
- Temporary hire labor records (i.e., work for which the labor was needed, payroll information, and timesheets)
- Force account equipment usage information and rate schedules
- Rental and lease agreements
- Photographs of site, overall facility, specific damage, and repairs
- Subgrant Applications (Project Worksheets)
- Site location maps
- Flood Insurance Rate Maps
- Facility maintenance records (e.g., for roads or debris basins)
- Facility inspection/safety reports (as may be available for bridges and dams)
- Engineering/technical reports and specifications for repair
- Codes and standards governing repairs/replacements
- Insurance information (i.e., policies, proof of loss statements from insurance company, deductible information, etc.)
- Documents supporting compliance with environmental and historical preservation issues
- Hazard mitigation proposals (as allowed under Section 406 of the Stafford Act)
- Justification for requests for a relocation, improved, or alternate project
- Contract procurement procedure
- Contracts or contractor bids (including invoices and copies of payments)
- Inspection logs for work included in Subgrant Applications (Project Worksheets)
- Permits
- Correspondence
- Invoices/warrants/checks
- Job orders
- Mutual aid agreements and records of mutual aid requests and receipt

**PHASE 3.0 POST-CONSTRUCTION PHASE SERVICES**

**Task 3.1 Close-Out**

MNS will review the contractor’s as-built drawings for completeness and provide the set to the RTC for final processing of the as-built plans. The Resident Engineer and Inspector will prepare and submit a final punch list of outstanding contract items to the contractor. A final walk through of the project will be scheduled with the RTC and any other involved entities at the RTC’s discretion. The Resident Engineer will ensure all concerns are addressed prior to recommending final acceptance of the contract to the RTC. Once the contractor provides all required documentation, MNS will submit a Final Pay request for final payment. MNS will submit all job files and final reports required for funding reimbursement to the RTC upon completion of the contract.
## Project Schedule

<table>
<thead>
<tr>
<th>PHASE</th>
<th>2020</th>
<th>2021</th>
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<tbody>
<tr>
<td><strong>Pre-Construction</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Jan</td>
<td>Feb</td>
</tr>
<tr>
<td>Total Cost</td>
<td>4,840.00$</td>
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</tr>
<tr>
<td><strong>Construction</strong></td>
<td>42,253.00$</td>
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<tr>
<td>Total Hours</td>
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<td>11</td>
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### Staff

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<tr>
<th>Role</th>
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<tr>
<td><strong>Pre-Construction</strong></td>
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<tr>
<td>Project Manager</td>
<td>8</td>
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<tr>
<td>Resident Engineer/Inspector</td>
<td>30</td>
<td>30</td>
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<tr>
<td>Construction Inspector</td>
<td>20</td>
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<tr>
<td>Track Inspector</td>
<td>5</td>
<td>10</td>
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<tr>
<td>Project Coordinator</td>
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<td>0</td>
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<tr>
<td><strong>Pre-Construction Sub-Total</strong></td>
<td>6</td>
<td>12</td>
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</table>

| **Construction Management** |      |      |
| Project Manager             |       |      |
| Resident Engineer/Inspector |       |      |
| Construction Inspector      |       |      |
| Track Inspector             |       |      |
| Project Coordinator         |       |      |
| **Construction Management Sub-Total** | 55 | 88 |

### Project Closeout

<table>
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<tr>
<td><strong>Project Closeout</strong></td>
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<tr>
<td>Project Manager</td>
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<td>6</td>
</tr>
<tr>
<td>Resident Engineer/Inspector</td>
<td>25</td>
<td>25</td>
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<tr>
<td>Construction Inspector</td>
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<td>165</td>
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<tr>
<td>Project Coordinator</td>
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<tr>
<td><strong>Project Closeout Sub-Total</strong></td>
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<td>18</td>
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**Total Hours**

<table>
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<tr>
<th>2020</th>
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</thead>
<tbody>
<tr>
<td>12</td>
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<td>58</td>
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<td>51</td>
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### Direct Expenses

<table>
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<tr>
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<th>2020</th>
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<tbody>
<tr>
<td>Lodging</td>
<td>30 days @ $130/day</td>
<td>4,290.00$</td>
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<tr>
<td>Meals</td>
<td>30 days @ $61/day</td>
<td>2,013.00$</td>
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<tr>
<td><strong>Total</strong></td>
<td>$6,303.00</td>
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### Sub Consultants

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<tr>
<th>Description</th>
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<tr>
<td>Pacific Crest</td>
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<tr>
<td><strong>Total</strong></td>
<td>10,000.00$</td>
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</table>

### Total Cost

<table>
<thead>
<tr>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,840.00$</td>
<td>42,253.00$</td>
</tr>
<tr>
<td>8,950.00$</td>
<td>$56,043.00</td>
</tr>
</tbody>
</table>

### Notes:

1. Assumes that Sites 4 & 6 will be constructed as one construction project.
2. Monthly hours for construction inspectors are based upon eight-hour working days times the number of working days that month, with no overtime (OT).
3. Construction Management hours for the construction phase are based on 30 working days with a start date of October 15, 2020. During this period, the construction inspectors will be 100% utilized, resident engineer will be approximately 50% utilized, and the office engineer will be 20% utilized.
4. Prevailing Wage rates subject to PW adjustments.
5. The above estimate doesn't include any OT hours. However, should OT hours be required due to contractor's schedule, non-exempt employees are subject to OT regulations (Times and half & double time).
6. No support for delays due to weather, CCO, R/W, and claims filed by contractor in response to the Proposed Final Estimate.
7. A 10% markup to be applied to Direct Costs and subconsultants.
8. Lodging and meal allowance are based on the current GSA per diem rates for Santa Cruz County.
RESOLUTION NO.

Adopted by the Santa Cruz County Regional Transportation Commission
on the date of August 6, 2020
on the motion of Commissioner
duly seconded by Commissioner

A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO TWO
CONTRACTS WITH MNS ENGINEERS, INC. FOR CONSTRUCTION MANAGEMENT SERVICES
FOR SITES 5 AND 6 OF THE STORM DAMAGE REPAIR PROJECTS (PHASE 2) ON THE
SANTA CRUZ BRANCH RAIL CORRIDOR

WHEREAS, the Regional Transportation Commission (RTC) purchased the Santa Cruz
Branch Rail Line (Branch Line) in October 2012; and

WHEREAS, in early 2017, the Branch Line suffered damages due to historic rain
storms that hit Santa Cruz County and other parts of the state; and

WHEREAS, the heavy rain storms of 2017 were declared state and national disasters
and the RTC submitted a Request for Public Assistance to the Federal Emergency
Management Agency (FEMA);

WHEREAS, the Commission approved the list of qualified firms in 2018 for Civil
Engineering, Structural Engineering/Inspections, and Construction Management services;

WHEREAS, staff solicited proposals for construction management services for Phase 2
of the 2017 storm damage projects from the 5 on-call construction management firms,
reviewed the 2 proposals received, and selected MNS Engineers, Inc. based on the
selection criteria;

WHEREAS, construction management services are required to support staff with
advertising the construction contracts for the permanent storm damage and to help
ensure that FEMA, CalOES, and Regulatory Agencies requirements are met; and

THEREFORE, BE IT RESOLVED BY THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION
COMMISSION THAT:

1. The Executive Director is authorized to negotiate and enter into two agreements
   with MNS Engineers, Inc. for a combined not to exceed amount of $176,806 for
   construction management services for Sites 5 and 6 of Phase 2 of the storm
damage repairs on the Santa Cruz Branch Rail line; and

2. The Executive Director is authorized to negotiate and execute amendments to these
   agreements provided that the amendments are consistent with the RTC’s approved
   budget and work program and in accordance with RTC’s Administrative and Fiscal
   Policies, Section 5, Procurement.

3. The Executive Director is authorized to negotiate and enter into contracts with the
   second highest ranked consultant team, in the event that negotiations with the
highest rank consultant are unsuccessful.

AYES: COMMISSIONERS

NOES: COMMISSIONERS

ABSTAIN: COMMISSIONERS

ABSENT: COMMISSIONERS

__________________________
Bruce McPherson, Chair

ATTEST:

____________________________
Guy Preston, Secretary

Distribution: RTC Fiscal, RTC and Consultant Project Managers
CONTRACT No.___________
ARCHITECTURAL & ENGINEERING SERVICES CONTRACT

THIS AGREEMENT made and entered into this _______day of ____________, 2020 by and between the SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION, hereinafter called COMMISSION, and MNS Engineers, Inc., hereinafter called CONSULTANT for Construction Management Services for Storm Damage Repair Site 5. The parties agree as follows:

1. DUTIES.

A. CONSULTANT agrees to exercise special skill to accomplish the following results: Construction Management Services for Storm Damage Repair Site 5, as specified in Exhibit A: Scope of Services, which by this reference is incorporated herein.

B. CONSULTANT shall provide the personnel listed below to perform the above-specified services, which persons are hereby designated as key personnel under this Agreement.

<table>
<thead>
<tr>
<th>Name</th>
<th>Firm</th>
<th>Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paul Goryl</td>
<td>MNS Engineers, Inc.</td>
<td>Project Manager</td>
</tr>
</tbody>
</table>

C. No person named in paragraph B of this Article or in the Fee Schedule/Cost Proposal (Exhibit B), or his or her successor, shall be removed or replaced by CONSULTANT, nor shall his or her agreed-upon function hereunder be changed, without the prior written consent of the COMMISSION Contract Manager.

D. This contract includes the subcontractors and/or subconsultants listed in Exhibit B: Fee Schedule/Cost Proposal.

E. Except as expressly authorized herein, CONSULTANT's obligations under this CONTRACT are not assignable or transferable, and CONSULTANT shall not subcontract any work, without the prior written approval of the COMMISSION. However, claims for money due or which become due to CONSULTANT from COMMISSION under this CONTRACT may be assigned to a financial institution or to a trustee in bankruptcy, without such approval. Notice of any assignment or transfer whether voluntary or involuntary shall be furnished promptly to the COMMISSION.

F. CONSULTANT’S PROGRESS REPORTS AND/OR MEETINGS

1. CONSULTANT shall perform the services in accordance with the Project Schedule attached hereto (included in Exhibit B) and incorporated by reference. The CONSULTANT shall submit written progress reports with each invoice. The report should be sufficiently detailed for the Contract Manager to determine if the CONSULTANT is performing to expectations or is on schedule; to provide communication of interim findings; and to sufficiently address any difficulties or special problems encountered, so remedies can be developed.

2. The CONSULTANT’s Project Manager shall meet with the COMMISSION’s Contract Manager, as needed, to discuss progress on the CONTRACT.

2. COMPENSATION. In consideration for CONSULTANT accomplishing work to be performed under this CONTRACT (as described in Exhibit A: Scope of Services), COMMISSION shall compensate CONSULTANT in accordance with the approved Fee Schedule/Cost Proposal, dated July 29, 2020, attached hereto (Exhibit B) and incorporated by reference. The consideration to be paid to CONSULTANT as pervaded herein shall be for all CONSULTANT’s expenses incurred in the performance hereof, including travel and per diem, unless otherwise expressly so provided. If
there is any conflict between the approved Fee Schedule/Cost Proposal and this CONTRACT, this
CONTRACT shall take precedence.

A. CONSULTANT will be reimbursed for hours worked at the hourly rates specified in
CONSULTANT’s Fee Schedule/Cost Proposal (Exhibit B). The specified hourly rates shall
include direct salary costs, employee benefits, overhead, and fee. These rates are not adjustable
for the performance period set forth in this CONTRACT. The CONSULTANT will be
reimbursed within thirty (30) days upon receipt by COMMISSION’s Contract Manager of
itemized invoices in duplicate.

B. In addition, CONSULTANT will be reimbursed for incurred (actual) direct costs other than
salary costs that are identified in the Fee Schedule/Cost Proposal (Exhibit B).

C. CONSULTANT shall be solely responsible for any future adjustments to prevailing wage rates
including, but not limited to, base hourly rates and employer payment as determined by the
Department of Industrial Relations. CONSULTANT is responsible for paying the appropriate
rate, including escalations that take place during the term of the CONTRACT.

D. Progress payments will be made monthly in arrears based on services provided and actual costs
incurred.

E. CONSULTANT shall not commence performance of work or services until this CONTRACT
has been approved by COMMISSION, and notification to proceed has been issued by
COMMISSION’S Contract Manager. No payment will be made prior to approval or for any work
performed prior to approval of this CONTRACT.

F. If the consultant fails to satisfactorily complete a deliverable according to the schedule set forth
in the contract, no payment will be made until the deliverable has been satisfactorily completed.

G. The total amount payable by COMMISSION for this CONTRACT shall not exceed $120,763. It
is understood and agreed that there is no guarantee, either expressed or implied that this dollar
amount will be authorized under this CONTRACT.

3. FUNDING REQUIREMENTS

A. It is mutually understood between the CONSULTANT and COMMISSION that this
CONTRACT may have been written before ascertaining the availability of funds or appropriation
of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays that
would occur if the CONTRACT were executed after that determination was made.

B. This CONTRACT is valid and enforceable only if sufficient funds are made available to
COMMISSION for the purpose of this CONTRACT. In addition, this CONTRACT is subject to
any additional restrictions, limitations, conditions, or any statute enacted by the Congress, State
Legislature, federal or state agency, or COMMISSION governing board that may affect the
provisions, terms, or funding of this CONTRACT in any manner.

C. It is mutually agreed that if sufficient funds are not appropriated, this CONTRACT may be
amended to reflect any reduction in funds.

D. COMMISSION has the option to terminate the CONTRACT pursuant to Section 5: Termination,
or by mutual agreement to amend the CONTRACT to reflect any reduction of funds.

4. RETENTION OF FUNDS.

A. No retainage will be withheld by the COMMISSION from progress payments due the
CONSULTANT. Retainage by the CONSULTANT or subconsultants (as identified in Article 1)
is prohibited, and no retainage will be held by the CONSULTANT or subconsultants from
progress payments due to subconsultants. Any violation of this provision shall subject the
violating CONSULTANT or subconsultants to the penalties, sanctions, and other remedies
specified in Section 3321 of the California Civil Code and/or Section 7108.5 of the California
Business and Professions Code. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the CONSULTANT or subconsultant in the event of a dispute involving late payment or nonpayment by the prime consultant or deficient subconsultant performance, or noncompliance by a subconsultant, or other good faith dispute that legally permits a CONSULTANT to withhold payments to subconsultants under California law or good cause that allows CONSULTANT to withhold payment under federal law. This provision applies to both DBE and non-DBE subconsultants.

4. TERM.
   A. This CONTRACT shall go into effect on the effective date; contingent upon prior approval by the COMMISSION governing board, and the CONSULTANT shall commence work after notification to proceed by the COMMISSION’S Contract Manager. The CONTRACT shall end on December 31, 2021, unless earlier terminated or extended by CONTRACT amendment.
   B. The CONSULTANT is advised that this CONTRACT is not binding and enforceable until it is approved by the COMMISSION's board and fully executed.

5. TERMINATION.
   A. This CONTRACT may be terminated by COMMISSION, for cause or without cause provided that COMMISSION gives not less than ten (10) calendar days written notice of its intent to terminate in the event of termination for cause provides and the reasons for termination stated in the notice.
   B. COMMISSION may temporarily suspend this CONTRACT, at no additional cost to COMMISSION provided that CONSULTANT is given written notice of temporary suspension. If COMMISSION gives such notice of temporary suspension, CONSULTANT shall immediately suspend its activities under this CONTRACT. A temporary suspension may be issued concurrent with the notice of termination.
   C. Not withstanding any provisions of this CONTRACT, CONSULTANT shall not be relieved of liability to the COMMISSION by termination of this CONTRACT for damages sustained by COMMISSION by virtue of any breach of this CONTRACT by CONSULTANT, and COMMISSION may withhold any payments due to CONSULTANT until such time as the exact amount of damages, if any, due to COMMISSION from CONSULTANT is determined.
   D. If COMMISSION terminates this CONTRACT with CONSULTANT, COMMISSION shall pay CONSULTANT the sum due to CONSULTANT under this CONTRACT for services satisfactorily performed prior to termination, unless the cost of completion to COMMISSION exceeds the funds remaining in the CONTRACT in which case the overage shall be deducted from any sum due CONSULTANT under this CONTRACT and the balance, if any, shall be paid to CONSULTANT upon demand.
   E. Upon termination, COMMISSION shall be entitled to all CONSULTANT’s work produced under this CONTRACT, including, but not limited to, reports, investigations, appraisals, inventories, studies, analysis, drawing and data estimates performed to that date, whether or not complete.
   F. OPTIONAL: COMMISSION may terminate this CONTRACT for CONSULTANT's default if a federal or state proceeding for the relief of debtors is undertaken by or against CONSULTANT, or CONSULTANT's principal, or if CONSULTANT or CONSULTANT's principal makes an assignment for the benefit of creditors.
   G. OPTIONAL: CONSULTANT may terminate this CONTRACT by giving the COMMISSION at least one hundred and twenty (120) days advance written notice. CONSULTANT shall be liable for any and all reasonable costs incurred by COMMISSION as a result of such early termination, default, including but not limited to repurchase costs of the same or similar services defaulted or not provided by CONSULTANT under this Agreement.
6. **INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS.** CONSULTANT shall exonerate, indemnify, defend, and hold harmless the COMMISSION its governing body, officers, officials, agents, employees and volunteers from and against:

A. Any and all claims, demands, costs, or liability arising from or connected with the services provided under this CONTRACT due to willful misconduct or negligent acts, errors, or omissions of the CONSULTANT, its officers, subconsultants, employees, volunteers, or agents. The CONSULTANT will reimburse COMMISSION for any expenditure, including reasonable attorney’s fees, incurred by COMMISSION in defending against claims ultimately determined to be due willful misconduct or to negligent acts, errors, or omissions of the CONSULTANT, its officers, subconsultants, employees, volunteers, or agents; an

B. Any and all Federal, State and Local taxes, charges, fees, penalties, or contributions required to be paid with respect to CONSULTANT and CONSULTANT’S officers, subconsultants, employees, volunteers, and agents engaged in the performance of this CONTRACT (including, without limitation, unemployment insurance, social security and payroll tax withholding).

7. **SAFETY.**

A. The CONSULTANT shall comply with OSHA, Cal-OSHA, and all other regulations applicable to CONSULTANT regarding necessary safety equipment or procedures. The CONSULTANT shall comply with safety instructions issued by the COMMISSION Safety Officer and other COMMISSION representatives. CONSULTANT personnel shall wear hard hats and safety vests at all times while working on the construction project site.

B. If any work might be conducted on the rail line or within the rail line right-of-way:

CONSULTANT personnel (officers, employees, volunteers, or agents) and any subcontractors must submit and comply with the “right-of-entry agreement” with COMMISSION and St. Paul & Pacific Railway, LLC (a subsidiary of Progressive Rail, Inc.) SC&MB, or its successor, as applicable, the terms and conditions of which are incorporated herein by this reference, and shall wear hard hats and safety vests at all times while working on the Santa Cruz Branch Rail Line or within the rail line right-of-way.

Pursuant to the authority contained in Section 591 of the Vehicle Code, COMMISSION has determined that such areas within the limits of the project are open to public traffic unless otherwise identified as private property. The CONSULTANT shall comply with all of the requirements set forth in Divisions 11, 12, 13, 14, and 15 of the Vehicle Code. The CONSULTANT shall take all reasonably necessary precautions for safe operation of its vehicles

8. **INSURANCE.** CONSULTANT, at its sole cost and expense, for the full term of this CONTRACT, and any extensions thereof, shall obtain and maintain at minimum compliance with all of the following insurance coverage(s) and requirements. Such insurance coverage shall be primary coverage as respects COMMISSION and any insurance or self-insurance maintained by COMMISSION shall be excess of CONSULTANT’S insurance coverage and shall not contribute to it. Insurance is to be placed with insurers reasonably acceptable to COMMISSION.

A. Types of Insurance and Minimum Limits

1. Workers’ Compensation in the minimum statutorily required coverage amounts. This insurance coverage shall not be required if the CONSULTANT has no employees and certifies to this fact by initialing here ________.

2. Automobile Liability Insurance for each of CONSULTANT’S vehicles used in the performance of this CONTRACT, including owned, non-owned (e.g. owned by CONSULTANT’S employees), leased or hired vehicles, in the minimum amount of $1,000,000 combined single limit per occurrence for bodily injury and property damage. This insurance coverage shall not be required if vehicle use by the CONSULTANT is not a
material part of performance of this Agreement and CONSULTANT and COMMISSION both certify to this fact by initialing here / /.

3. Comprehensive or Commercial General Liability Insurance coverage at least as broad as ISO form CG 00 01, with a minimum limit of two million dollars ($2,000,000) per occurrence, and $4,000,000 in the aggregate, including coverage for: (a) products and completed operations, (b) bodily and personal injury, (c) broad form property damage, (d) contractual liability, and (e) cross-liability.

4. Professional Liability Insurance in the minimum amount of one million dollars ($1,000,000) combined single limit, if, and only if, this Subparagraph is initialed by CONSULTANT and COMMISSION / /.

5. Railroad Protective Liability Insurance in the minimum amount of two million dollars ($2,000,000) per occurrence and six million ($6,000,000 aggregate, if any work is to be conducted within the rail line right-of-way or within fifty (50) feet of the track or Commercial General Liability Insurance coverage that does not exclude work on the railroad and with a minimum limit of two ($2,000,000) million dollars per occurrence and six ($6,000,000) million dollars in aggregate.

If CONSULTANT normally carries insurance in an amount greater than the minimum amount required by the COMMISSION for this CONTRACT, that greater amount shall become the minimum required amount of insurance for purposes of this CONTRACT. Therefore, CONSULTANT hereby acknowledges and agrees that any and all insurances carried by it shall be deemed liability coverage for any and all actions it performs in connection with this CONTRACT.

B. Other Insurance Provisions

1. If any insurance coverage required in this CONTRACT is provided on a “Claims Made” rather than “Occurrence” form, CONSULTANT agrees that the retroactive date thereof shall be no later than the effective date of this CONTRACT, and that it shall maintain the required coverage for a period of three (3) years after the expiration of this CONTRACT (hereinafter “POST CONTRACT COVERAGE”) and any extensions thereof. CONSULTANT may maintain the required POST CONTRACT COVERAGE post agreement coverage by renewal or purchase of prior acts or tail coverage. This provision is contingent upon POST CONTRACT COVERAGE being both available and reasonably affordable in relation to the coverage provided during the term of this CONTRACT. For purposes of interpreting this requirement, a cost not exceeding 100% of the last annual policy premium during the term of this CONTRACT in order to purchase prior acts or tail coverage for POST CONTRACT COVERAGE shall be deemed to be reasonable. The COMMISSION will not be responsible for any premiums or assessments on the policy.

2. All policies of Commercial General Liability Insurance and Railroad Protective Liability Insurance, if required, shall be endorsed to cover the Santa Cruz County Regional Transportation Commission, its governing body, officials, employees, agents and volunteers, and St. Paul & Pacific Railway, LLC (a subsidiary of Progressive Rail, Inc.), or its successor, and its officials, employees, agents and volunteers, if any work will be undertaken in the rail right-of-way or within fifty (50) feet from the track, as additional insureds with respect to liability arising out of the work or operations and activities performed by or on behalf of, the CONSULTANT, including materials, parts or equipment furnished in connection with such work or operations. Endorsements shall be at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10 10 01 and CG 20 37 10 01, covering ongoing operations and products and completed operations.

3. All required insurance policies shall be endorsed to contain the following clause:
“This insurance shall not be canceled until after thirty (30) days (10 days for nonpayment of premium) prior written notice has been given to:

Santa Cruz County Regional Transportation Commission
Attn: Yesenia Parra
1523 Pacific Avenue
Santa Cruz, CA 95060

Should CONSULTANT fail to obtain such an endorsement to any policy required hereunder, CONSULTANT shall be responsible to provide at least thirty (30) days’ notice (10 days for non-payment of premium) of cancellation of such policy to the COMMISSION as a material term of this CONTRACT.

4. CONSULTANT agrees to provide its insurance broker(s) with a full copy of these insurance provisions and provide COMMISSION on or before the effective date of this CONTRACT with Certificates of Insurance and endorsements for all required coverages. The Certificates of Insurance must note whether the policy does or does not include any self-insured retention and also must disclose the deductible. The certificates shall require the carrier to take reasonable action to notify COMMISSION in writing of any material change, cancellation, termination or non-renewal of the coverage at least ten (10) days in advance of the effective date of any such material change, cancellation, termination or non-renewal. However, failure to obtain the required documents prior to the work beginning shall not waive the CONSULTANT’s obligation to provide them. All Certificates of Insurance and notices endorsements shall be delivered or sent to:

Santa Cruz County Regional Transportation Commission
Attn: Yesenia Parra
1523 Pacific Avenue
Santa Cruz, CA 95060

5. The CONSULTANT agrees that the insurance herein provided for, shall be in effect at all times during the term of this CONTRACT. In the event said insurance coverage expires at any time or times during the term of this CONTRACT, the CONSULTANT agrees to provide at least thirty (30) days prior notice to said expiration date; and a new Certificate of Insurance evidencing insurance coverage as provided for herein, for not less than either the remainder of the term of the CONTRACT, or for a period of not less than one (1) year. New Certificates of Insurance are subject to the approval of the COMMISSION. In the event the CONSULTANT fails to keep in effect at all times insurance coverage as herein provided, the COMMISSION may, in addition to any other remedies it may have, terminate this CONTRACT upon occurrence of such event.

6. If any insurance policy of CONSULTANT required by this CONTRACT includes language conditioning the insurer’s legal obligation to defend or indemnify COMMISSION on the performance of any act(s) by the named insured, then said insurance policy, by endorsement, shall also name the COMMISSION as a named insured. Notwithstanding the foregoing, both the CONSULTANT and its insurers agree that by naming the COMMISSION as a named insured, the COMMISSION may at its sole direction, but is not obligated to, perform any act required by the named insured under said insurance policies.

7. CONSULTANT shall do all things required to be performed by it pursuant to its insurance policies including but not limited to paying within five (5) work days, all deductibles and self-insured retentions (SIR) required to be paid under any insurance policy that may provide defense or indemnity coverage to COMMISSION or any additional insured. If CONSULTANT’s insurance policy includes a self-insured retention that must be paid by a named insured as a precondition of the insurer’s liability, or which has the effect of providing
that payments of the self-insured retention by others, including additional insureds or insurers
do not serve to satisfy the self-insured retention, such provisions must be modified by special
endorsement so as to not apply to the additional insured coverage required by this
CONTRACT so as to not prevent any of the parties to this CONTRACT from satisfying or
paying the self-insured retention required to be paid as a precondition to the insurer’s
liability.

8. CONSULTANT hereby grants to COMMISSION a waiver of any right of subrogation which
any insurer of said CONSULTANT may acquire against the COMMISSION by virtue of the
payment of any loss under such insurance. CONSULTANT agrees to obtain any
endorsement that may be necessary to affect this waiver of subrogation, but this provision
applies regardless of whether or not the COMMISSION has received a waiver of subrogation
endorsement from the insurer.

9. CONSULTANT shall cause the foregoing provisions to be inserted in all subcontracts for any
work covered under this CONTRACT, provided that the foregoing provisions shall not apply
to contracts or subcontracts for standard commercial supplies or raw materials.

9. FEDERAL, STATE AND LOCAL LAWS.

A. CONSULTANT warrants that in the performance of this CONTRACT, it shall exercise usual and
customary professional care in its efforts to comply with all applicable federal, state and local
laws, statutes and ordinances and all lawful orders, rules and regulations promulgated thereunder.
In the event of a conflict between the laws and lawful regulations of any government entities
having jurisdiction over the project, the CONSULTANT shall notify COMMISSION of the
nature and impact of such conflict. The COMMISSION agrees to cooperate and work with the
CONSULTANT in an effort to resolve any conflict.

B. Those laws, statutes, ordinances, rules, regulations and procedural requirements that are imposed
on COMMISSION as a recipient of federal or state funds are imposed on CONSULTANT.

10. NON-DISCRIMINATION AND COMPLIANCE PROVISIONS.

A. The CONSULTANT’s signature affixed herein and dated shall constitute a certification under
penalty of perjury under the laws of the State of California that the CONSULTANT has, unless
exempt, complied with the nondiscrimination program requirements of Gov’t Code 12990 and 2
CCR 8103. CONSULTANT and subconsultants shall ensure that the evaluation and treatment of
their employees and applicants for employment are free from such discrimination and
harassment.

During the performance of this CONTRACT, the CONSULTANT and its subconsultants shall
not deny the CONTRACT benefits to any person on the basis of race, color, sex, gender,
religious creed, national origin, ancestry, physical disability (including HIV and AIDS status),
mental disability, medical condition (e.g., cancer), genetic information, marital status, gender,
gender identity, gender expression, age, sexual orientation, military or veteran status.
CONSULTANT and subconsultants shall ensure that the evaluation and treatment of their
employees and applicants for employment are free from such discrimination and harassment.
Such action shall include, but not be limited to, the following: recruitment; advertising, layoff or
termination; rates of pay or other forms of compensation; and selection for training (including
apprenticeship), employment, upgrading, demotion, or transfer. The CONSULTANT agrees to
post in conspicuous places, available to employees and applicants for employment, notice setting
forth the provisions of this non-discrimination clause.

CONSULTANT and subconsultants shall comply with the provisions of the Fair Employment
and Housing Act (Government. Code §12990 et seq.) and the applicable regulations promulgated
thereunder (.2 CCR 11000et seq.), the provisions of Government Code section 11135 to 11139.5,
and the regulations of standards adopted by the COMMISSION to implement such article.
C. CONSULTANT and its subconsultants shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other CONTRACT.

D. CONSULTANT shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this contract.

E. The CONSULTANT, with regard to the work performed under this CONTRACT, shall act in accordance with Title VI of the Civil Rights Act of 1964 (42 U.S.C. §2000d et seq.). Title VI provides that the recipients of federal assistance will implement and maintain a policy of nondiscrimination in which no person in the United States shall, on the basis of race, color, national origin, religion, sex, age, disability, be excluded from participation in, denied the benefits of or subject to discrimination under any program or activity by the recipients of federal assistance or their assignees and successors in interest.

F. The CONSULTANT shall comply with regulations relative to non-discrimination in federally-assisted programs of the U.S. Department of Transportation (49 CFR Part 21 - Effectuation of Title VI of the Civil Rights Act of 1964). Specifically, the CONSULTANT shall not participate either directly or indirectly in the discrimination prohibited by 49 CFR §21.5, including employment practices and the selection and retention of subconsultants.

G. CONSULTANT and its subconsultants shall permit access to all records of employment, employment advertisements, application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission or any other agency of the State of California designated by State to investigate compliance with this Article.

H. In the event of CONSULTANT’s non-compliance with the non-discrimination clauses of this CONTRACT or with any of the said rules, regulations or orders the COMMISSION may cancel, terminate or suspend the CONTRACT in whole or in part. CONSULTANT may also be declared ineligible for further agreements with the COMMISSION.

11. HARASSMENT. The COMMISSION maintains a strict policy prohibiting unlawful harassment, including sexual harassment, in any form, including verbal, physical and visual harassment by any employee, supervisor, manager, officer or Board member, or agent of the employer. Vendors, contractors, and consultants shall not engage in conduct that has an effect of unreasonably interfering with a COMMISSION employee's work performance or creates an intimidating, hostile or offensive work environment.

12. PROHIBITION OF EXPENDING COMMISSION, STATE, OR FEDERAL FUNDS FOR LOBBYING.

A. CONSULTANT certifies to the best of his or her knowledge and belief that:

1. No state, federal or COMMISSION appropriated funds have been paid, or will be paid by-or-on behalf of CONSULTANT to any person for influencing or attempting to influence an officer or employee of any state or agency; a Member of the State Legislature or United States Congress; an officer or employee of the Legislature or Congress; or any employee of a Member of the State Legislature or United States Congress, or any employee of a Member of the Legislature or Congress, in connection with the awarding this CONTRACT or with the extension, continuation, renewal, amendment, or modification of this CONTRACT.

2. If any funds other than state or federal appropriated funds have been paid, or will be paid to any person for influencing or attempting to influence an officer or employee agency; a Member of Congress; an officer or employee of Congress, or an employee of a Member of Congress; in connection with this the CONSULTANT shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying”, in accordance with its instructions.

B. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making
or entering into this transaction imposed by Section 1352, Title 31, US. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

C. CONSULTANT also agrees by signing this document that he or she shall require that the language of this certification be included in all lower-tier subcontracts, which exceed $100,000, and that all such sub recipients shall certify and disclose accordingly.

13. CONFLICT OF INTEREST.

A. During the term of this agreement, CONSULTANT shall disclose any financial, business, or other relationship with COMMISSION that may have an impact upon the outcome of this CONTRACT, or any ensuing COMMISSION construction project. CONSULTANT shall also list current clients who may have a financial interest in the outcome of this CONTRACT, or any ensuing COMMISSION construction project, which will follow.

B. CONSULTANT certifies that it has disclosed to COMMISSION any actual, apparent, or potential conflicts of interest that may exist relative to the services to be provided pursuant to this CONTRACT. CONSULTANT agrees to advise COMMISSION of any actual, apparent or potential conflicts of interest that may develop subsequent to the date of execution of this CONTRACT. CONSULTANT further agrees to complete any statements of economic interest if required by either COMMISSION ordinance or State law.

C. CONSULTANT hereby certifies that it does not now have, nor shall it acquire any financial or business interest that would conflict with the performance of services under this CONTRACT. The CONSULTANT hereby certifies that the CONSULTANT or subconsultant and any firm affiliated with the CONSULTANT or subconsultant that bids on any construction contract or on any Agreement to provide construction inspection for any construction project resulting from this AGREEMENT, has established necessary controls to ensure a conflict of interest does not exist. An affiliated firm is one, which is subject to the control of the same persons, through joint ownership or otherwise.

D. CONSULTANT hereby certifies that neither CONSULTANT, its employees, nor any firm affiliated with CONSULTANT providing services on this project prepared the Plans, Specifications, and Estimate for any construction project included within this CONTRACT. An affiliated firm is one, which is subject to the control of the same persons through joint ownership, or otherwise.

E. CONSULTANT further certifies that neither CONSULTANT or subconsultant, nor any firm affiliated with CONSULTANT or subconsultant that bids on any construction contract or any contract to provide construction inspection for any construction project resulting from this CONTRACT, has established necessary controls to ensure a conflict of interest does not exist. An affiliate firm is one, which is subject to the control of the same persons, through joint ownership or otherwise.

14. LICENSES.

If a license of any kind is required of CONSULTANT, its employees, agents, or subcontractors by Federal or State law, CONSULTANT warrants that such license has been obtained, is valid and in good standing, that CONSULTANT shall keep it in effect at all times during the terms of this CONTRACT, and that any applicable bond has been posted in accordance with all applicable laws and regulations.

15. DEBARMMENT AND SUSPENSION CERTIFICATION.

A. CONSULTANT’s signature affixed herein, shall constitute a certification under penalty of perjury under the laws of the State of California, that CONSULTANT or any person associated therewith in the capacity of owner, partner, director, officer, or manager, is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any federal agency; has not been suspended, debarred, voluntarily excluded, or determined ineligible by any federal agency within the past three (3) years; does not have a proposed debarment pending; and
has not been indicted, convicted, or had a civil judgment rendered against it by a court of
competent jurisdiction in any matter involving fraud or official misconduct within the past three
(3) years.

B. Any exceptions to this certification must be disclosed to the COMMISSION. Exceptions will not
necessarily result in denial of recommendation for award, but will be considered in determining
CONSULTANT responsibility. Disclosures must indicate to whom exceptions apply, initiating
agency, and dates of action.

C. Exceptions to the Federal Government Excluded Parties List System maintained by the General
Services Administration are to be determined by the Federal highway Administration.

16. INDEPENDENT CONSULTANT STATUS.

A. CONSULTANT and COMMISSION have reviewed and considered the principal test and
secondary factors herein and agree that CONSULTANT is an independent CONSULTANT and not
an employee of COMMISSION. CONSULTANT is responsible for all insurance (workers
compensation, unemployment, etc.) and all payroll related taxes. CONSULTANT is not entitled to
any employee benefits provided by the COMMISSION. COMMISSION agrees that
CONSULTANT shall have the right to control the manner and means of accomplishing the result
contracted for herein.

1. PRINCIPAL TEST: The CONSULTANT rather than COMMISSION has the right to
control the manner and means of accomplishing the result contracted for.

2. SECONDARY FACTORS: (a) The extent of control which, by agreement,
COMMISSION may exercise over the details of the work is slight rather than substantial;
(b) CONSULTANT is engaged in a distinct occupation or business; (c) In the locality,
the work to be done by CONSULTANT is usually done by a specialist without
supervision, rather than under the direction of an employer; (d) The skill required in the
particular occupation is substantial rather than slight; (e) The CONSULTANT rather than
the COMMISSION supplies the instrumentalities, tools and work place; (f) The length of
time for which CONSULTANT is engaged is of limited duration rather than indefinite;
(g) The method of payment of CONSULTANT is by the job rather than by the time; (h)
The work is part of a special or permissive activity, program, or project, rather than part
of the regular business of COMMISSION; (i) CONSULTANT and COMMISSION
believe they are creating an independent CONSULTANT relationship rather than an
employer-employee relationship; and (j) The COMMISSION conducts public business.

It is recognized that it is not necessary that all secondary factors support creation of an
independent CONSULTANT relationship, but rather that overall there are significant
secondary factors which indicate that CONSULTANT is an independent
CONSULTANT.

A. It is understood and agreed that CONSULTANT (including CONSULTANT’s employees) is an
independent contractor and that no relationship of employer-employee exists between the parties
hereto. CONSULTANT’s assigned personnel, officers, employees, agents, or subconsultants
shall not be entitled to any benefits payable to COMMISSION employees, including, but not
limited to, healthcare, retirement, and leave benefits.

B. CONSULTANT’s obligation to pay its subconsultant(s) is an independent obligation from
COMMISSION’S obligation to make payments to the CONSULTANT.

C. COMMISSION is not required to make any deductions or withholds from the compensation
payable to CONSULTANT under the provisions of the CONTRACT and is not required to issue
W-2 Forms for income and employment tax purposes for any of CONSULTANT’s assigned
personnel. CONSULTANT, in the performance of its obligation hereunder, is only subject to the
control or direction of the COMMISSION as to the designation of tasks to be performed and the results to be accomplished.

D. Any third party person(s) employed by CONSULTANT shall be entirely and exclusively under the direction, supervision and control of CONSULTANT. CONSULTANT hereby indemnifies and holds COMMISSION, its governing body, officers, employees, and agents, harmless from any and all claims that may be made against COMMISSION based upon any contention by any third part that an employer-employee relationship exists by reason of this CONTRACT.

E. Except as expressly authorized herein, CONSULTANT's obligations under this CONTRACT are not assignable or transferable, and CONSULTANT shall not subcontract any work, without the prior written approval of the COMMISSION. However, claims for money due or which become due to CONSULTANT from COMMISSION under this CONTRACT may be assigned to a financial institution or to a trustee in bankruptcy, without such approval. Notice of any assignment or transfer whether voluntary or involuntary shall be furnished promptly to the COMMISSION.

17. COST PRINCIPLES AND ADMINISTRATIVE REQUIREMENTS.

A. CONSULTANT agrees that the CONTRACT Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31.000 et seq., shall be used to determine the cost allowability of individual items.

B. CONSULTANT also agrees to comply with federal procedures in accordance with 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

C. Any costs for which payment has been made to CONSULTANT that are determined by subsequent audit to be unallowable under 48 CFR, Part 31 or 2 CFR Part 200 are subject to repayment by CONSULTANT to COMMISSION.

D. When a CONSULTANT or subconsultant is a Non-Profit Organization or an Institution of Higher Education, the Cost Principles for Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards shall apply.

E. Contractor and subcontractors shall establish and maintain, an accounting system conforming to Generally Accepted Accounting Principles (GAAP) to support Requests for Reimbursement which segregate and accumulate the costs of work elements by line item (i.e direct labor, other direct costs, subrecipients/subcontractor, etc) and enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices.

19. RETENTION OF RECORDS/AUDIT.

A. For the purpose of determining compliance with Government Code section 8546.7, CONSULTANT, its subconsultants, and COMMISSION shall maintain and make available for inspection all books, documents, papers, accounting records, Independent CPA Audited Indirect Cost Rate workpapers, and other evidence pertaining to the performance of the CONTRACT, including but not limited to, the costs of administering the CONTRACT. All parties shall make such materials available at their respective offices at all reasonable times during the CONTRACT period and for three years from the date of final payment under the CONTRACT. If any action has occurred relative to the records, the records must be retained until completion of the action and resolution of all issues that arise from it.

B. The state, State Auditor, and COMMISSION shall have access to any books, records, and documents of CONSULTANT and its certified public accountants (CPA) work papers that are pertinent to the CONTRACT and indirect cost rates (ICR) for audit, examinations, excerpts, and transactions, and copies thereof shall be furnished if requested. The Federal Highway
Administration (FHWA) or other authorized representative of the federal government shall also have access to the records described in this paragraph, if federal funds are used in this CONTRACT.

20. **INSPECTION OF WORK.** The CONSULTANT and any subconsultant shall permit the COMMISSION, the STATE, and the FHWA or FTA if federal participating funds are used in this CONTRACT, to review and inspect the project activities and files at all reasonable times during the term of this CONTRACT including review and inspection on a daily basis.

21. **ACKNOWLEDGMENT.** CONSULTANT shall acknowledge in all reports and literature that the material is prepared for and on behalf of the COMMISSION.

22. **WORK PRODUCTS/OWNERSHIP OF DATA.** All material, data, information, and written, graphic or other work produced under this CONTRACT is subject to the unqualified and unconditional right of the COMMISSION to use, reproduce, publish, display, and make derivative use of all such work, or any part of it, free of charge and in any manner and for any purpose; and to authorize others to do so. CONSULTANT shall have no property right therein whatsoever.

A. Upon completion of all work under this CONTRACT, the COMMISSION shall be entitled to and the CONSULTANT shall deliver to the COMMISSION reports, investigations, appraisals, inventories, studies, analysis, drawing and data estimated performed to that date, whether completed or not, and other such materials as may have been prepared by CONSULTANTin performing this CONTRACT which is not CONSULTANT’s privileged information, as defined by law or CONSULTANT’s personnel information along with all other property belonging exclusively to the COMMISSION which is in the CONSULTANT’s possession. Publication of the information derived from work performed or data obtained in connection with services rendered under this CONTRACT must be approved in writing by the COMMISSION.

B. Additionally, it is agreed that the Parties intend this to be an CONTRACT for services and each considers the products and results of the services to be rendered by CONSULTANT hereunder to be work made for hire. CONSULTANT acknowledges and agrees that the work (and all rights therein, including, without limitation, copyright) belongs to and shall be the sole and exclusive property of COMMISSION without restriction or limitation upon its use or dissemination by COMMISSION.

C. Nothing herein shall constitute or be construed to be any representation by CONSULTANT that the work product is suitable in any way for any other project except the one detailed in this CONTRACT. Any reuse by COMMISSION for another project or project location shall be at COMMISSION’s sole risk.

D. Applicable patent rights provisions regarding rights to inventions shall be included in the CONTRACT as appropriate (48 CFR 27, Subpart 27.3 - Patent Rights under Government Contracts for federal-aid contracts).

E. The COMMISSION may permit copyrighting reports or other contract products, subject to its rights in Section E below. If copyrights are permitted, the agreement shall provide that the COMMISSION shall have the royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use; and to authorize others to use, the work for government purposes.

F. If any of the work is subject to copyright, trademark, service mark, or patent, CONSULTANT now grants to the COMMISSION a perpetual, royalty-free, nonexclusive and irrevocable license to use, reproduce, publish, use in the creation of derivative works, and display and perform the work, or any part of it, and to grant to any third party a comparable and coextensive sublicense.

23. **CONFIDENTIALITY OF DATA.**

A. All financial, statistical, personal, technical, or other data and information relative to COMMISSION’s operations, which are designated confidential by COMMISSION and made
available to CONSULTANT in order to carry out this CONTRACT, shall be protected by CONSULTANT from unauthorized use and disclosure.

B. Permission to disclose information on one occasion, or public hearing held by COMMISSION relating to the CONTRACT, shall not authorize CONSULTANT to further disclose such information, or disseminate the same on any other occasion.

C. CONSULTANT shall not comment publicly to the press or any other media regarding the CONTRACT or COMMISSION’s actions on the same, except to COMMISSION’s staff, CONSULTANT’s own personnel involved in the performance of this CONTRACT, at public hearings or in response to questions from a government entity.

D. CONSULTANT shall not issue any news release or public relations item of any nature, whatsoever, regarding work performed or to be performed under this CONTRACT without prior review of the contents thereof by COMMISSION, and receipt of COMMISSION’S written permission.

24. NATIONAL LABOR RELATIONS BOARD CERTIFICATION. In accordance with Public CONTRACT Code Section 10296, CONSULTANT hereby states under penalty of perjury that no more than one final unappealable finding of contempt of court by a federal court has been issued against CONSULTANT within the immediately preceding two-year period, because of CONSULTANT’s failure to comply with an order of a federal court that orders CONSULTANT to comply with an order of the National Labor Relations Board.

25. EVALUATION OF CONSULTANT. CONSULTANT’s performance will be evaluated by COMMISSION. A copy of the evaluation will be sent to CONSULTANT for comments. The evaluation together with the comments shall be retained as part of the CONTRACT record.

26. DRUG-FREE WORKPLACE. CONSULTANT shall comply with the provisions of Government Code § 8350 et seq., regarding Drug-Free Workplace Certification, and with the U.S. DOT regulations "Drug-Free Workplace Requirements Grants" in 49 CFR Part 29, Subpart F.

27. CHANGE IN TERMS.
   A. This Agreement may be amended or modified only by mutual written agreement of the parties.
   B. No alteration or variation of the terms of this CONTRACT shall be valid unless made in writing and signed by the parties authorized to bind the parties; and nor oral understanding or agreement not incorporated herein, shall be binding on any of the parties hereto.
   C. CONSULTANT shall only commence work covered by an amendment after the amendment is executed and notification to proceed has been provided by the COMMISSION’s Contract Manager.

28. DISPUTES. This CONTRACT shall be construed under the laws of the State of California. Pending final resolution of a dispute hereunder, CONSULTANT shall proceed diligently with the performance of this CONTRACT and shall comply with COMMISSION’s instructions.

Prior to either party commencing any legal action under this CONTRACT, the parties agree to try in good faith, to settle any dispute amicably between them. If a dispute has not been settled after thirty (30) days of good-faith negotiations and as may be otherwise provided herein, then either party may commence legal action against the other.

A. Any dispute, other than audit disputes, concerning a question of fact arising under this CONTRACT that is not disposed of by agreement shall be decided by a committee consisting of the COMMISSION’s Contract Manager and Executive Director, who may consider written or verbal information submitted by the CONSULTANT. The committee’s determination regarding such dispute shall be final unless the committee determines, in its sole discretion, that the dispute shall be determined by the Board of COMMISSION.
B. Not later than 30 days after completion of all work under the CONTRACT, CONSULTANT may request review by COMMISSION Governing Board of unresolved claims or disputes, other than audit. The request for review will be submitted in writing.

C. Neither the pendency of a dispute, nor its consideration by the committee will excuse the CONSULTANT from full and timely performance in accordance with the terms of this CONTRACT.

29. CLAIMS FILED BY COMMISSION's CONSTRUCTION CONTRACTOR.

A. If claims are filed by COMMISSION’s construction contractor relating to work performed by CONSULTANT’s personnel, and additional information or assistance from CONSULTANT’s personnel is required in order to evaluate or defend against such claims; CONSULTANT agrees to make its personnel available for consultation with COMMISSION’S construction CONTRACT administration and legal staff and for testimony, if necessary, at depositions and at trial or arbitration proceedings.

B. CONSULTANT’s personnel that COMMISSION considers essential to assist in defending against construction contractor claims will be made available on reasonable notice from COMMISSION. Consultation or testimony will be reimbursed at the same rates, including travel costs that are being paid for CONSULTANT’s personnel services under this CONTRACT.

C. Services of CONSULTANT’s personnel in connection with COMMISSION’s construction contractor claims will be performed pursuant to a written contract amendment, if necessary, extending the termination date of this CONTRACT in order to resolve the construction claims.

30. AUDIT REVIEW PROCEDURES.

A. Any dispute concerning a question of fact arising under an interim or post-completion audit of this Agreement that is not disposed of by agreement, shall be reviewed by the COMMISSION’S Contract Manager and Executive Director.

B. Not later than 30 days after issuance of the final audit report, the CONSULTANT may request a review by the COMMISSION’S Executive Director of unresolved audit issues. The request for review will be submitted in writing. The Executive Director’s determination regarding such dispute shall be final unless the Executive Director determines, in its sole discretion, that the dispute shall be determined by the RTC COMMISSION.

C. Neither the pendency of a dispute nor its consideration by the COMMISSION will excuse the CONSULTANT from full and timely performance, in accordance with the terms of this CONTRACT.

D. CONSULTANT and subconsultants’ contracts, including cost proposals and indirect cost rates (ICR), are subject to audits or reviews such as, but not limited to, a CONTRACT Audit, an Incurred Cost Audit, an ICR Audit, or a certified public accountant (CPA) ICR Audit Workpaper Review. If selected for audit or review, the CONTRACT, Fee Schedule/Cost Proposal (Exhibit B) and ICR and related workpapers, if applicable, will be reviewed to verify compliance with 48 CFR, Part 31 and other related laws and regulations. In the instances of a CPA ICR Audit Workpaper Review it is CONSULTANT’s responsibility to ensure federal, state, or local government officials are allowed full access to the CPA’s workpapers. The CONTRACT, cost proposal, and ICR shall be adjusted by CONSULTANT and approved by COMMISSION Contract Manager to conform to the audit or review recommendations. CONSULTANT agrees that individual terms of costs identified in the audit report shall be incorporated into the CONTRACT by this reference if directed by COMMISSION at its sole discretion. Refusal by CONSULTANT to incorporate audit or review recommendations, or to ensure that the Federal, State, or local governments have access to CPA workpapers, will be considered a breach of
CONTRACT terms and cause for termination of the CONTRACT and disallowance of prior reimbursed costs.

E. CONSULTANT’s Fee Schedule/Cost Proposal (Exhibit B) may be subject to a CPA ICRA Audit Work Paper Review and/or audit by the Independent Office of Audits and Investigation (IOAI). IOAI, at its sole discretion, may review and/or audit and approve the CPA ICR documentation. The Fee Schedule/Cost Proposal (Exhibit B) shall be adjusted by the CONSULTANT and approved by the COMMISSION Contract Manager to conform to the Work Paper Review recommendations included in the management letter or audit recommendations included in the audit report. Regularly by the CONSULTANT to incorporate the Work Paper Review recommendations included in the management letter or audit recommendations included in the audit report will be considered a breach of the CONTRACT terms and cause for termination of the CONTRACT and disallowance of prior reimbursed costs.

1) During IOAI’s review of the ICR audit work papers created by the CONSULTANT’s independent CPA, IOAI will work with the CPA and/or CONSULTANT toward a resolution of issues that arise during the review. Each party agrees to use its best efforts to resolve any audit disputes in a timely manner. If IOAI identifies significant issues during the review and is unable to issue a cognizant approval letter, COMMISSION will reimburse the CONSULTANT at an accepted ICR until a FAR (Federal Acquisition Regulation) compliant ICR {e.g. 48 CFR Part 31; GAGAS (Generally Accepted Auditing Standards); CAS (Cost Accounting Standards), if applicable; in accordance with procedures and guidelines of the American Association of State Highways and Transportation Officials (AASHTO) Audit Guide; and other applicable procedures and guidelines} is received and approved by IOAI.

Accepted rates will be as follows:

a. If the proposed rate is less than one hundred fifty percent (150%) - the accepted rate reimbursed will be ninety percent (90%) of the proposed rate.

b. If the proposed rate is between one hundred fifty percent (150%) and two hundred percent (200%) - the accepted rate will be eighty-five percent (85%) of the proposed rate.

c. If the proposed rate is greater than two hundred percent (200%) - the accepted rate will be seventy-five percent (75%) of the proposed rate.

2. If IOAI is unable to issue a cognizant letter per paragraph E.1. above, IOAI may require CONSULTANT to submit a revised independent CPA-audited ICR and audit report within three months of the effective date of the management letter. IOAI will then have up to six (6) months to review the CONSULTANT’s and/or the independent CPA’s revisions.

3. If the CONSULTANT fails to comply with the provisions of this paragraph E, or if IOAI is still unable to issue a cognizant approval letter after the revised independent CPA audited ICR is submitted, overhead cost reimbursement will be limited to the accepted ICR that was established upon initial rejection of the ICR and set forth in paragraph E.1. above for all rendered services. In this event, this accepted ICR will become the actual and final ICR for reimbursement purposes under this AGREEMENT.

4. CONSULTANT may submit to COMMISSION final invoice only when all of the following items have occurred: (1) IOAI accepts or adjusts the original or revised independent CPA audited ICR; (2) all work under this AGREEMENT has been completed to the satisfaction of COMMISSION; and, (3) IOAI has issued its final ICR review letter. The CONSULTANT MUST SUBMIT ITS FINAL INVOICE TO COMMISSION no later than sixty (60) calendar days after occurrence of the last of these
items. The accepted ICR will apply to this AGREEMENT and all other agreements executed between COMMISSION and the CONSULTANT, either as a prime or subconsultant, with the same fiscal period ICR.

31. SUBCONTRACTING.

A. The CONSULTANT is responsible for performing the work required under the CONTRACT in a manner acceptable to COMMISSION. The CONSULTANT’s organization and all associated consultants and subconsultants must be identified in Article 1 of this CONTRACT or the Fee Schedule/Cost Proposal (Exhibit B). If the CONSULTANT wishes to use a subconsultant not specified in this CONTRACT or Exhibit B, prior written approval must be obtained from the local agency. The subcontract must contain all required provisions of this CONTRACT. All subawards must include adequate oversight, management, and administration of engineering and design related consultant services and be administered in accordance with State laws and procedures specified in 23 U.S.C.106(g)(4) and 2 CFR 200.331.

B. Nothing contained in this CONTRACT or otherwise, shall create any contractual relation between COMMISSION and any subconsultant(s), and no subcontract shall relieve CONSULTANT of its responsibilities and obligations hereunder. CONSULTANT agrees to be as fully responsible to COMMISSION for the acts and omissions of its subconsultant(s) and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by CONSULTANT. CONSULTANT’s obligation to pay its subconsultant(s) is an independent obligation from COMMISSION’S obligation to make payments to the CONSULTANT.

C. The CONSULTANT shall perform the work contemplated with resources available within its own organization; and no portion of the work pertinent to this CONTRACT shall be subcontracted without prior written authorization by the COMMISSION’S Contract Manager, except that, which is expressly identified in the approved Fee Schedule/Cost Proposal (Exhibit B).

D. CONSULTANT shall pay its subconsultants within fifteen (15) calendar days from receipt of each payment made to CONSULTANT by COMMISSION.

E. All subcontracts entered into as a result of this CONTRACT shall contain all the provisions stipulated in this CONTRACT to be applicable to subconsultants.

F. Any substitution of subconsultants must be approved in writing by the COMMISSION’s Contract Manager prior to the start of work by the subconsultant.

G. The CONSULTANT hereby agrees that neither CONSULTANT, nor any firm affiliated with the CONSULTANT, will bid on or enter into any construction CONTRACT, or on any CONTRACT to provide construction inspection for any construction project resulting from this CONTRACT. An affiliated firm is one which is subject to the control of the same persons through joint-ownership, or otherwise.

G. Except for subconsultants whose services are limited to providing surveying or materials testing information, no subconsultant who has provided design services in connection with this CONTRACT shall be eligible to bid on or enter into any construction contract, or on any contract to provide construction inspection for any construction project resulting from this CONTRACT.

32. EQUIPMENT PURCHASE.

A. Prior authorization in writing, by COMMISSION’s Contract Manager shall be required before CONSULTANT enters into any unbudgeted purchase order, or subcontract exceeding $5,000 for supplies, equipment, or CONSULTANT services. CONSULTANT shall provide an evaluation of the necessity or desirability of incurring such costs.
B. For purchase of any item, service or consulting work not covered in CONSULTANT’s Fee Schedule/Cost Proposal (Exhibit B) and exceeding $5,000 prior authorization by COMMISSION’s Contract Manager; three competitive quotations must be submitted with the request, or the absence of bidding must be adequately justified.

C. Any equipment purchased as a result of this CONTRACT is subject to the following:

1. “CONSULTANT shall maintain an inventory of all nonexpendable property. Nonexpendable property is defined as having a useful life of at least two years and an acquisition cost of $5,000 or more. If the purchased equipment needs replacement and is sold or traded in, COMMISSION shall receive a proper refund or credit at the conclusion of the CONTRACT, or if the CONTRACT is terminated, CONSULTANT may either keep the equipment and credit COMMISSION in an amount equal to its fair market value, or sell such equipment at the best price obtainable at a public or private sale, in accordance with established COMMISSION procedures; and credit COMMISSION in an amount equal to the sales price. If CONSULTANT elects to keep the equipment, fair market value shall be determined at CONSULTANT’s expense, on the basis of a competent independent appraisal of such equipment. Appraisals shall be obtained from an appraiser mutually agreeable to by COMMISSION and CONSULTANT, if it is determined to sell the equipment, the terms and conditions of such sale must be approved in advance by COMMISSION.”

2. Regulation 2 CFR, Part 200 requires a credit to Federal funds when participating equipment with a fair market value greater than $5,000 is credited to the project.

33. STATE PREVAILING WAGE RATES.

A. CONSULTANT shall comply with the State of California’s General Prevailing Wage Rate requirements in accordance with California Labor Code, Section 1770, and all Federal, State, and local laws and ordinances applicable to the work, as may be amended.

B. No CONSULTANT or subconsultant may be awarded a contract containing public work elements unless registered with the Department of Industrial Relations (DIR) pursuant to Labor Code 1725.5. Registration with DIR must be maintained throughout the entire term of the contract, including any subsequent amendments.

C. The CONSULTANT shall comply with all of the applicable provisions of the California Labor Code requiring the payment of prevailing wages. The General Prevailing Wage Rate Determination applicable to work under this CONTRACT are available and on file with the Department of Transportation’ Regional/District Labor Compliance Officer. (https://dot.ca.gov/programs/construction/labor-compliance). These wage rates are made a specific part of this CONTRACT by reference pursuant to Labor Code §1773.2 and will be applicable to work performed at a construction project site. Prevailing wages will be applicable to all inspection work performed at COMMISSION construction sites, at COMMISSION facilities and at off-site locations that are set up by the construction contractor or one of its subcontractors solely and specifically to serve COMMISSION projects. Prevailing wage requirements do not apply to inspection work performed at the facilities of vendors and commercial materials suppliers that provide goods and services to the general public.

D. General Prevailing Wage Rate Determinations applicable to this project may also be obtained from the Department of Industrial Relations website at http://www.dir.ca.gov.

E. Payroll Records

1. Each CONSULTANT and Subconsultant shall keep accurate certified payroll records and supporting documents as mandated by Labor Code §1776 and as defined in 8 CCR §16000 showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid
to each journeyman, apprentice, worker, or other employee employed by the
CONSULTANT or Subconsultant in connection with the public work. Each payroll
record shall contain or be verified by a written declaration that it is made under penalty of
perjury, stating both of the following:

a. The information contained in the payroll record is true and correct.

b. The employer has complied with the requirements of Labor Code §1771, §1811,
and §1815 for any work performed by his or her employees on the public works
project.

2. The payroll records enumerated under paragraph (1) above shall be certified as correct by
the CONSULTANT under penalty of perjury. The payroll records and all supporting
documents shall be made available for inspection and copying by COMMISSION
representatives at all reasonable hours at the principal office of the CONSULTANT. The
CONSULTANT shall provide copies of certified payrolls or permit inspection of its
records as follows:

a. A certified copy of an employee's payroll record shall be made available for
inspection or furnished to the employee or the employee's authorized
representative on request.

b. A certified copy of all payroll records enumerated in paragraph (1) above, shall
be made available for inspection or furnished upon request to a representative of
COMMISSION, the Division of Labor Standards Enforcement and the Division
of Apprenticeship Standards of the Department of Industrial Relations or other
party given the right to inspect the payroll records under state law. Certified
payrolls submitted to COMMISSION, the Division of Labor Standards
Enforcement and the Division of Apprenticeship Standards shall not be altered or
obliterated by the CONSULTANT.

c. The public shall not be given access to certified payroll records by the
CONSULTANT, but shall be available upon request made through
COMMISSION or the Department of Industrial Relations. The CONSULTANT
is required to forward any requests for certified payrolls to the COMMISSION
Contract Administrator by both email and U.S. mail no later than the business
day following receipt of the request.

3. Each CONSULTANT shall submit a certified copy of the records enumerated in
paragraph (1) above, to the entity that requested the records within ten (10) calendar days
after receipt of a written request. In the case of a request from a member of the public,
the ten (10 days) shall be from the date of the request from the member of the public. In
the event the CONSULTANT or Subconsultant fails to comply within the ten (10) day
period, the CONSULTANT or Subconsultant shall, as a penalty to COMMISSION,
forfeit one hundred dollars ($100) for each calendar day, or portion thereof, for each
worker, until strict compliance is effectuated. Such penalties shall be withheld by
COMMISSION from payments then due. CONSULTANT is not subject to a penalty
assessment pursuant to this section due to the failure of a Subconsultant to comply with
this section.

4. Any copy of records made available for inspection as copies and furnished upon request
to the public or any public agency by COMMISSION shall be marked or obliterated in
such a manner as to prevent disclosure of each individual's name, address, and social
security number. The name and address of the CONSULTANT or Subconsultant
performing the work shall not be marked or obliterated.
5. The CONSULTANT shall inform COMMISSION of the location of the records enumerated under paragraph (1) above, including the street address, city and county, and shall, within five (5) working days, provide a notice of a change of location and address.

6. In the event the CONSULTANT or subconsultant fails to comply within the ten (10) day period, he or she shall, as a penalty to COMMISSION, forfeit one hundred dollars ($100) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Such penalties shall be withheld by COMMISSION from payments then due. CONSULTANT is not subject to a penalty assessment pursuant to this section due to the failure of a subconsultant to comply with this section.

E. When prevailing wage rates apply, the CONSULTANT is responsible for verifying compliance with certified payroll requirements. Invoice payment will not be made until the invoice is approved by the COMMISSION Contract Manager.

F. Penalty

1. The CONSULTANT and any of its subconsultants shall comply with Labor Code §1774 and §1775. Pursuant to Labor Code §1775, the CONSULTANT and any subconsultant shall forfeit to the COMMISSION a penalty of not more than two hundred dollars ($200) for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of DIR for the work or craft in which the worker is employed for any public work done under the CONTRACT by the CONSULTANT or by its subconsultant in violation of the requirements of the Labor Code and in particular, Labor Code §§1770 to 1780, inclusive.

2. The amount of this forfeiture shall be determined by the Labor Commissioner and shall be based on consideration of mistake, inadvertence, or neglect of the CONSULTANT or subconsultant in failing to pay the correct rate of prevailing wages, or the previous record of the CONSULTANT or subconsultant in meeting their respective prevailing wage obligations, or the willful failure by the CONSULTANT or subconsultant to pay the correct rates of prevailing wages. A mistake, inadvertence, or neglect in failing to pay the correct rates of prevailing wages is not excusable if the CONSULTANT or subconsultant had knowledge of the obligations under the Labor Code. The CONSULTANT is responsible for paying the appropriate rate, including any escalations that take place during the term of the CONTRACT.

3. In addition to the penalty and pursuant to Labor Code §1775, the difference between the prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the CONSULTANT or subconsultant.

4. If a worker employed by a subconsultant on a public works project is not paid the general prevailing per diem wages by the subconsultant, the prime CONSULTANT of the project is not liable for the penalties described above unless the prime CONSULTANT had knowledge of that failure of the subconsultant to pay the specified prevailing rate of wages to those workers or unless the prime CONSULTANT fails to comply with all of the following requirements:

   a. The CONTRACT executed between the CONSULTANT and the subconsultant for the performance of work on public works
projects shall include a copy of the requirements in Labor Code §§ 1771, 1775, 1776, 1777.5, 1813, and 1815.

b. The CONSULTANT shall monitor the payment of the specified general prevailing rate of per diem wages by the subconsultant to the employees by periodic review of the certified payroll records of the subconsultant.

c. Upon becoming aware of the subconsultant’s failure to pay the specified prevailing rate of wages to the subconsultant’s workers, the CONSULTANT shall diligently take corrective action to halt or rectify the failure, including but not limited to, retaining sufficient funds due the subconsultant for work performed on the public works project.

d. Prior to making final payment to the subconsultant for work performed on the public works project, the CONSULTANT shall obtain an affidavit signed under penalty of perjury from the subconsultant that the subconsultant had paid the specified general prevailing rate of per diem wages to the Subconsultant’s employees on the public works project and any amounts due pursuant to Labor Code §1813.

5. Pursuant to Labor Code §1775, COMMISSION shall notify the CONSULTANT on a public works project within fifteen (15) calendar days of receipt of a complaint that a subconsultant has failed to pay workers the general prevailing rate of per diem wages.

6. If COMMISSION determines that employees of a subconsultant were not paid the general prevailing rate of per diem wages and if COMMISSION did not retain sufficient money under the CONTRACT to pay those employees the balance of wages owed under the general prevailing rate of per diem wages, the CONSULTANT shall withhold an amount of moneys due the subconsultant sufficient to pay those employees the general prevailing rate of per diem wages if requested by COMMISSION.

G. Hours of Labor: Eight (8) hours labor constitutes a legal day's work. The CONSULTANT shall forfeit, as a penalty to the COMMISSION, twenty-five dollars ($25) for each worker employed in the execution of the CONTRACT by the CONSULTANT or any of its subconsultants for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of the Labor Code, and in particular §§1810 to 1815 thereof, inclusive, except that work performed by employees in excess of eight (8) hours per day, and forty (40) hours during any one week, shall be permitted upon compensation for all hours worked in excess of eight (8) hours per day and forty (40) hours in any week, at not less than one and one-half (1.5) times the basic rate of pay, as provided in §1815.

H. Employment of Apprentices

1. Where either the CONTRACT or the subcontract exceeds thirty thousand dollars ($30,000), the CONSULTANT and any subconsultants under him or her shall comply with all applicable requirements of Labor Code §§ 1777.5, 1777.6 and 1777.7 in the employment of apprentices.

2. CONSULTANTs and subconsultants are required to comply with all Labor Code requirements regarding the employment of apprentices, including mandatory
ratios of journey level to apprentice workers. Prior to commencement of work, CONSULTANT and subconsultants are advised to contact the DIR Division of Apprenticeship Standards website at https://www.dir.ca.gov/das/, for additional information regarding the employment of apprentices and for the specific journey-to-apprentice ratios for the CONTRACT work. The CONSULTANT is responsible for all subconsultants’ compliance with these requirements. Penalties are specified in Labor Code §1777.7.

I. When prevailing wages apply to the services described in the scope of work, transportation and subsistence costs shall be reimbursed at the minimum rates set by the Department of Industrial Relations (DIR) as outlined in the applicable Prevailing Wage Determination. See http://www.dir.ca.gov.

35. **REBATES, KICKBACKS OR OTHER UNLAWFUL CONSIDERATION.** The CONSULTANT warrants that this CONTRACT was not obtained or secured through rebates, kickbacks, or other unlawful consideration, either promised or paid to any COMMISSION employee. For breach or violation of this warranty, COMMISSION shall have the right in its discretion; to terminate the CONTRACT without liability; to pay only for the value of the work actually performed; or to deduct from the CONTRACT price; or otherwise recover the full amount of such rebate, kickback or other unlawful consideration.

36. **BROKERAGE OR OTHER FEES.** CONSULTANT warrants that no person or selling agency has been employed or retained to solicit or secure this CONTRACT upon an agreement or understanding, for a commission, percentage, brokerage or contingent, excepting bona fide employees or bona fide commercial or selling agencies maintained by the CONSULTANT for the purpose of securing business. For breach or violation of this warranty, the COMMISSION shall have the right to annul this agreement without liability, or at its discretion to deduct from the agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.”

37. **NOTIFICATION.** All notices hereunder and communications regarding interpretation of the terms of this CONTRACT and changes thereto, shall be effected by the mailing thereof by registered or certified mail, return receipt requested, postage prepaid, and addressed or emailing with delivery receipt requested as follows:

**CONSULTANT:** MNS Engineers, Inc.
Paul Goryl, Project Manager
111 North Market Street, Ste 440
San Jose, CA 95113
pgoryl@mnsengineers.com

**COMMISSION:** Santa Cruz County Regional Transportation Commission (SCCRTC)
Sarah Christensen, Contract Manager
1523 Pacific Ave
Santa Cruz, CA 95060

38. **FORCE MAJEURE**

Neither COMMISSION nor CONSULTANT will be liable for any breach or failure to perform under this CONTRACT or any other documents incorporated by reference herein if such breach or failure to perform is due to acts beyond the reasonable control of such party, which include by way of illustration, but not limitation, acts of God or public enemy, acts of federal, state, or local government, either in its sovereign or contractual capacity, fire, floods, epidemics and quarantines, civil disobedience, strikes, lock-outs, freight embargoes, or severe weather provided, however, that party which has been so affected will promptly give written notice to the other of the fact that it is
unable to so perform and the cause(s) therefore. The party claiming force majeure shall promptly notify the other party of the termination of the event and shall resume its performance under this CONTRACT immediately upon the cessation of such cause(s). During the period that the performance by one of the parties of its obligations under this CONTRACT has been suspended because of an event of force majeure, the other party may likewise suspend the performance of its obligations under this CONTRACT to the extent that the suspension is reasonable.

39. **COMPLETE CONTRACT.**

A. **CONTRACT:** The two parties to this CONTRACT, who are the before named CONSULTANT and the before named COMMISSION, hereby agree that this CONTRACT constitutes the entire CONTRACT which is made and concluded in duplicate between the two parties. Both of these parties for and in consideration of the payments to be made, conditions mentioned, and work to be performed; each agree to diligently perform in accordance with the terms and conditions of this CONTRACT as evidenced by the signatures below.

B. **COMMISSION DESIGNEE:** The Executive Director of COMMISSION, or his or her designee, shall have the authority to act for and exercise any of the rights of COMMISSION as set forth in this CONTRACT subsequent to, and in accordance with the authorization granted by the COMMISSION.

C. **COMPLETE AGREEMENT, INCLUDING ATTACHMENTS.** This CONTRACT includes all exhibits, attachments, and documents incorporated herein and made applicable by reference, constitutes the complete and exclusive statement of the terms and conditions of the CONTRACT between COMMISSION and CONSULTANT, and supersedes all prior representations, understandings and communications. The invalidity in whole or in part of any term or condition of this CONTRACT shall not affect the validity of other terms or conditions. The COMMISSION’s waiver of CONSULTANT’s performance of any term(s) or condition(s) of this CONTRACT shall not be construed as a waiver for any future performance of such term(s) or conditions(s).

D. **Attachments are:**

   Exhibit A: Scope of Services  
   Exhibit B: Fee Schedule/Cost Proposal  

   Required Caltrans LAPM Forms:  
   LAPM Exhibit 10-K  
   LAPM Exhibit 10-H2  

Each of the undersigned represents and warrants that he or she is duly authorized to execute and deliver this Agreement and that such execution is binding upon the entity for which he or she is executing this document.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement No. ____________ to be executed on the date first written above.

2. **CONSULTANT**  
By: ______________________________  
SIGNATURE  
PRINTED  
DATE: ____________________________

4. **SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION**
By: ______________________________  
SIGNATURE  
PRINTED  
DATE: ____________________________
3. APPROVED AS TO INSURANCE:  1. APPROVED AS TO FORM:

RTC Administrative Services Officer        COMMISSION Counsel
DATE: ___________________________          DATE: ___________________________

DISTRIBUTION:
• RTC Fiscal & Contract Manager
• CONSULTANT

\RTCSERV2\Internal\RAIL\SCBRL On-Call Engineering Services\Storm Damage CM Phase 2\Draft Contract\Storm Damage Phase 2_CM_MNS_Site 5.docx
Exhibit A: Scope of Services
MNS’ services will be divided into three phases: Phase 1 – Pre-Construction; Phase 2 – Construction Services; and Phase 3 – Project Closeout. The following scope of work provides a brief description of tasks and responsibilities MNS will provide.

PHASE 1.0    PRE-CONSTRUCTION PHASE SERVICES

Task 1.1   Project Review, Pre-Job Coordination and Project Set-Up
Upon receipt of the Notice to Proceed from the SCCRTC, MNS will contact the key individuals involved in the project and establish a clear protocol for the contract administration, lines of communication, and levels of authorization. MNS Project Manager, Paul Goryl, PE, will coordinate with the RTC Project Manager to establish a firm foundation of communication and understanding of the project. MNS will set up documentation and filing systems consistent with the Caltrans LAPM and meets the FEMA and OES requirements.

Task 1.2   Development of Construction Schedule
After review of the final plans and specifications, MNS will review and comment on the construction schedule developed by the Program Manager which optimizes the number of working days to be specified for each project.

Task 1.3   Constructability/Biddability Review
MNS will review and comment on the constructability/biddability review performed by the Program Manager. Constructability/biddability comments will be discussed with the RTC Program Manager and Designer, and resolutions incorporated into a bid addendum if required.

Task 1.4   Advertise Construction Contract, Bid Assistance and Management
As funding for the construction contract includes state and federal funding sources, the advertise and award procedures contained in the Caltrans Local Assistance Procedures Manual (LAPM) will be used. MNS will assist in reviewing the bid documents to ensure necessary documents and forms are included with the bid package.

During the advertising period, the MNS team will manage bid enquiries and responses back to potential bidders. The responses will involve timely coordination with the Designer, RTC and their Program Manager, and possibly others such as RTC’s legal council. The resulting responses from potential bidder enquiries may or may not require a contract or PS&E addenda. If contract or PS&E addenda are required, MNS will coordinate the addenda preparation and distribute to potential bidders and ensure that all bidders certify receipt of all addenda.

MNS will assist the RTC with their online bidding process with Bid Express, which will include an electronic plan room to distribute the bidding documents and to disseminate bid inquiry/responses and addendums to the potential bidders.

Task 1.5   Bid Opening and Award
It is assumed that the RTC will follow the FHWA policy requiring bids to be opened publicly and read aloud either item-by-item or by total amount. Just as the bid may be rejected for being irregular or unresponsive, a bid may also be rejected on the grounds that the bidder is not a responsible bidder. MNS will conduct an initial review of the bids to determine if all bids received are responsive and from responsible bidders (contractor not suspended or debarred from state or federal contracts). The RTC’s bid opening procedures will be followed and are assumed to include:

- Bids submitted include a completed addenda certification statement.
- The bids shall be retained in BidExpress until the designated time and place for public opening.
• All bids received in accordance with the terms of the advertisement shall be publicly opened and announced either item by item or by total amount.
• If any bid received is not read aloud, the name of the bidder and the reason for not reading the bid aloud shall be publicly announced at the bid opening.
• Negotiation with contractors, during the period following the opening of bids and before the award of the contract shall not be permitted.

MNS will conduct a bid analysis for the projects. The bid analysis process is an examination of the unit bid prices for reasonable conformance with the engineer’s estimated prices, it forms the basis to justify the award or rejection of the bids and should assure that good competition and the lowest possible cost were received.

If any bid protests are received by the RTC, MNS will assist in review, evaluation and response to protests received, in accordance with the RTC’s procedures, the contract specifications and any amendments thereto. After review and evaluation of any bid protests, the MNS will issue a recommendation to the RTC to reject or accept the bid protest for subsequent formal review, consideration, and action by the RTC Board.

**Task 1.6 Pre-Construction Conference**
A pre-construction conference will be scheduled. All appropriate parties will be invited including the selected contractor, RTC staff, and any other involved entities at the RTC’s discretion. At the pre-construction conference, we will discuss the hierarchy of both the RTC and the contractor as well as establish the protocol to be used throughout the project. Safety will be an important item discussed thoroughly to ensure a safe working environment for the contractor and the public. The meeting will set the tone of cooperation for the project and elaborate on contract requirements and concerns. MNS will distribute meeting minutes to all parties in attendance.

**PHASE 2.0 CONSTRUCTION PHASE SERVICES**
**Task 2.1 Contract Administration/Document Control**
MNS will implement the project administration system discussed in Task 1.1. Our system will contain a method for organizing files forms, and spreadsheets to assist in tracking correspondence, submittals, requests for information (RFIs), contract change orders (CCOs), progress payments, and documenting materials testing results. Contract administration includes:

- Diaries
- Labor compliance and certified payrolls
- Logs for submittals, RFIs, CCOs, and materials testing results
- Correspondence, permits, and agreements
- Progress schedule/Weekly Statement of Working Days (WSWDs)
- Progress Pay Estimates and quantities
- FEMA documentation
- Safety and traffic control
- Weekly meetings agenda and minutes

**Task 2.2 Project Communication and Coordination**
The MNS Resident Engineer/Inspector will oversee project communication and coordination with the RTC, emergency services, residents, any utility companies, contractor, and materials technicians throughout the construction phase. The pre-construction conference and weekly progress meetings will help the construction team to stay abreast of project issues and progress.
**Task 2.3 Project Schedule Adherence**
MNS will request a schedule from the contractor prior to construction. The MNS Resident Engineer will require and review the three-week-look-ahead schedule from the contractor on a weekly basis. This schedule will assist in managing the contractor’s progress and allows our team to coordinate and schedule materials and soils testing. The contractor will issue WSWDs to document the progress of the work and the number of working days expended.

**Task 2.4 Cost Control**
The project’s document control system will track and monitor the actual project construction costs. The tracking of contract item payments and quantities is incorporated into the progress payment spreadsheet. The project contingency balance will be verified as part of the monthly progress pay estimate review and submittal.

**Task 2.5 Quantity Calculations and Progress Estimate**
MNS will prepare accurate and complete quantity calculations (Q-sheets) for each contract item and each progress pay estimate. The MNS Resident Engineer will track any extra work and supplemental work costs to be compared against the authorized change order amounts. We will review the contractor’s monthly Request for Payment and recommend approval for payment to the RTC.

**Task 2.6 Submittals/RFIs**
MNS will perform timely review of submittals and RFIs; all submittals and RFIs will be logged and distributed as necessary. The Resident Engineer will monitor the log to verify responses are submitted in a timely manner. Initial submittals to be reviewed and approved as the first order of work include:
- Project schedule
- Safety Plan
- SWPPP/WPCP
- Materials Submittals

**Task 2.7 Change Orders and Claims Management**
Prior to beginning any contract work, we will coordinate with the RTC to define the CCO process. All CCOs must define the project scope of work and limits and comply with the project documents. Our construction management team will be proactive in identifying actual and potential problems and work towards a timely and cost-effective solution. The Resident Engineer will:

- Determine the validity and justification for all change orders
- Notify the RTC if a change order is needed
- Negotiate costs with the contractor
- Process through the RTC

MNS will work closely with the RTC Project Manager, and contractor to resolve all change orders and/or disputes. That said, if a dispute has been filed, MNS will work diligently to thoroughly understand the nature and extent of the dispute and resolve it as quickly as possible. We will act on and process any Notice of Potential Claims (NOPCs) submitted by the contractor in a timely manner and in accordance with the contract documents and the RTC’s procedures.

**Task 2.8 Construction Inspection**
The MNS Inspector will implement the inspection guidelines for monitoring the quality of the contractor's work. The Inspector will be onsite as required to inspect the work is performed safely and in accordance with the contract documents.

The Inspector’s responsibilities will also include:

**Inspection.** Inspect the construction for compliance to the plans and specifications.
Traffic Control. Inspect the contractor’s traffic control per approved standards. Notify the contractor of any perceived unsafe conditions.

Daily Reports. Prepare inspection reports, quantities, note any safety issues, and include an accurate description of the work, labor, and equipment. Note any extra work or changes to the plans. Maintain photographic record of construction.

Materials. Verify approved materials are incorporated into the project.

Record Drawings. Maintain a set of field as-built plans.

Punch List. Prepare punch list and inspect for completion of punch list work items. Perform final walk-through with the RTC Project Manager and the contractor.

Task 2.9 Site Documentation
MNS will take pre-construction site photos to document the existing condition of the project limits prior to construction. Our team will also document construction throughout the life of the project. All photos will be logged and filed in the project files.

Task 2.10 Safety
The contractor has sole responsibility for compliance with safety requirements on the construction contract, but the construction management team will monitor compliance with their safety program and advise the contractor of observed deficiencies that need to be addressed. The contractor’s approved Safety Plan, Manual on Uniform Traffic Control Devices (MUTCD), and Cal/OSHA Safety Orders will guide our inspectors in monitoring the contractor’s work.

Task 2.11 Materials Testing
MNS will coordinate with our materials testing subconsultant, Pacific Crest, to provide necessary materials testing for each project.

Task 2.12 Record Drawings (As-Builts)
MNS will track and maintain as-built drawings in accordance with the contract requirements and ensure they are complete. MNS will keep a field set of as-built drawings for use in reviewing the contractor’s copy. Upon completion, the final set of record drawings will be reviewed by the MNS Resident Engineer/Inspector and submitted through the RTC Project Manager for final processing.

Task 2.13 FEMA Support/Documentation Review
MNS will review Supporting Documentation that may be used to support claim of reimbursement from FEMA to RTC. Reviews will be completed at the beginning of the project prior to construction, at the mid-point of construction and at the completion of the project. Example of documents (provided by others, if available) to be reviewed to support the FEMA claim.

- Records that demonstrate the damage to public facility
- Drawings, sketches, and plans of pre-disaster facility design (to scale)
- Drawings and sketches of disaster-related damages (to scale)
- Drawings and sketches of completed or proposed repair (to scale)
- Calculation sheets detailing specific dimensions and quantities of damage
- Force account labor records (i.e., payroll information, timesheets, and administrative policies)
- Temporary hire labor records (i.e., work for which the labor was needed, payroll information, and timesheets)
- Force account equipment usage information and rate schedules
- Rental and lease agreements
- Photographs of site, overall facility, specific damage, and repairs
- Subgrant Applications (Project Worksheets)
- Site location maps
- Flood Insurance Rate Maps
- Facility maintenance records (e.g., for roads or debris basins)
• Facility inspection/safety reports (as may be available for bridges and dams)
• Engineering/technical reports and specifications for repair
• Codes and standards governing repairs/replacements
• Insurance information (i.e., policies, proof of loss statements from insurance company, deductible information, etc.)
• Documents supporting compliance with environmental and historical preservation issues
• Hazard mitigation proposals (as allowed under Section 406 of the Stafford Act)
• Justification for requests for a relocation, improved, or alternate project
• Contract procurement procedure
• Contracts or contractor bids (including invoices and copies of payments)
• Inspection logs for work included in Subgrant Applications (Project Worksheets)
• Permits
• Correspondence
• Invoices/warrants/checks
• Job orders
• Mutual aid agreements and records of mutual aid requests and receipt

PHASE 3.0 POST-CONSTRUCTION PHASE SERVICES

Task 3.1 Close-Out

MNS will review the contractor’s as-built drawings for completeness and provide the set to the RTC for final processing of the as-built plans. The Resident Engineer and Inspector will prepare and submit a final punch list of outstanding contract items to the contractor. A final walk through of the project will be scheduled with the RTC and any other involved entities at the RTC’s discretion. The Resident Engineer will ensure all concerns are addressed prior to recommending final acceptance of the contract to the RTC. Once the contractor provides all required documentation, MNS will submit a Final Pay request for final payment. MNS will submit all job files and final reports required for funding reimbursement to the RTC upon completion of the contract.
## EXHIBIT B

### Construction Management Services

**Storm Damage Repair Sites 5**

**Santa Cruz County RTC**

### Project Schedule

<table>
<thead>
<tr>
<th>PHASE</th>
<th>2020</th>
<th>2021</th>
<th>TOTAL HOURS</th>
<th>HOURLY RATE</th>
<th>TOTAL COST</th>
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### Roles and Staff

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**TOTAL HOURS**

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<tbody>
<tr>
<td></td>
<td>$ 97,923.00</td>
</tr>
<tr>
<td></td>
<td>$ 15,840.00</td>
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**PRE-CONSTRUCTION SUB-TOTAL**

|       | $ 7,000.00 |

**CONSTRUCTION MANAGEMENT SUB-TOTAL**

|       | $ 71,620.00 |

**PROJECT CLOSEOUT SUB-TOTAL**

|       | $ 15,840.00 |

**TOTAL HOURS**

|       | $ 94,460.00 |

### Direct Expenses

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### Sub Consultants

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<tr>
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<td><strong>SUB CONSULTANTS SUB-TOTAL</strong></td>
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**PROJECT TOTAL**

|       | $ 120,763.00 |

### Notes:

1. Monthly hours for construction inspectors are based upon eight-hour working days times the number of working days that month, with no overtime (OT).
2. Construction Management hours for the construction phase are based on 30 working days with a start date of October 15, 2020. During this period, the construction inspectors will be 100% utilized, resident engineer will be approximately 35% utilized, and the office engineer will be 20% utilized.
3. Prevailing Wage rates subject to PW adjustments.
4. The above estimate doesn’t include any OT hours. However, should OT hours be required due to contractor’s schedule, non-exempt employees are subject to OT regulations (Time and half & double time).
5. No support for delays due to weather, CCO, R/W, and claims filed by contractor in response to the Proposed Final Estimate.
6. A 10% markup to be applied to Direct Costs and subconsultants.
7. Lodging and meal allowance are based on the current GSA per diem rates for Santa Cruz County.
CONTRACT No.___________
ARCHITECTURAL & ENGINEERING SERVICES CONTRACT

THIS AGREEMENT made and entered into this _______day of _____________, 2020 by and between the SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION, hereinafter called COMMISSION, and MNS Engineers, Inc., hereinafter called CONSULTANT for Construction Management Services for Storm Damage Repair Site 6. The parties agree as follows:

1. DUTIES.

   A. CONSULTANT agrees to exercise special skill to accomplish the following results: Construction Management Services for Storm Damage Repair Site 6, as specified in Exhibit A: Scope of Services, which by this reference is incorporated herein.

   B. CONSULTANT shall provide the personnel listed below to perform the above-specified services, which persons are hereby designated as key personnel under this Agreement.

<table>
<thead>
<tr>
<th>Name</th>
<th>Firm</th>
<th>Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paul Goryl</td>
<td>MNS Engineers, Inc.</td>
<td>Project Manager</td>
</tr>
</tbody>
</table>

   C. No person named in paragraph B of this Article or in the Fee Schedule /Cost Proposal (Exhibit B), or his or her successor, shall be removed or replaced by CONSULTANT, nor shall his or her agreed-upon function hereunder be changed, without the prior written consent of the COMMISSION Contract Manager.

   D. This contract includes the subcontractors and/or subconsultants listed in Exhibit B: Fee Schedule/Cost Proposal.

   E. Except as expressly authorized herein, CONSULTANT's obligations under this CONTRACT are not assignable or transferable, and CONSULTANT shall not subcontract any work, without the prior written approval of the COMMISSION. However, claims for money due or which become due to CONSULTANT from COMMISSION under this CONTRACT may be assigned to a financial institution or to a trustee in bankruptcy, without such approval. Notice of any assignment or transfer whether voluntary or involuntary shall be furnished promptly to the COMMISSION.

   F. CONSULTANT’S PROGRESS REPORTS AND/OR MEETINGS

      1. CONSULTANT shall perform the services in accordance with the Project Schedule attached hereto (included in Exhibit B) and incorporated by reference. The CONSULTANT shall submit written progress reports with each invoice. The report should be sufficiently detailed for the Contract Manager to determine if the CONSULTANT is performing to expectations or is on schedule; to provide communication of interim findings; and to sufficiently address any difficulties or special problems encountered, so remedies can be developed.

      2. The CONSULTANT’s Project Manager shall meet with the COMMISSION’s Contract Manager, as needed, to discuss progress on the CONTRACT.

2. COMPENSATION. In consideration for CONSULTANT accomplishing work to be performed under this CONTRACT (as described in Exhibit A: Scope of Services), COMMISSION shall compensate CONSULTANT in accordance with the approved Fee Schedule/Cost Proposal, dated July 29, 2020, attached hereto (Exhibit B) and incorporated by reference. The consideration to be paid to CONSULTANT as pervaded herein shall be for all CONSULTANT’s expenses incurred in the performance hereof, including travel and per diem, unless otherwise expressly so provided. If
there is any conflict between the approved Fee Schedule/Cost Proposal and this CONTRACT, this CONTRACT shall take precedence.

A. CONSULTANT will be reimbursed for hours worked at the hourly rates specified in CONSULTANT's Fee Schedule/Cost Proposal (Exhibit B). The specified hourly rates shall include direct salary costs, employee benefits, overhead, and fee. These rates are not adjustable for the performance period set forth in this CONTRACT. The CONSULTANT will be reimbursed within thirty (30) days upon receipt by COMMISSION's Contract Manager of itemized invoices in duplicate.

B. In addition, CONSULTANT will be reimbursed for incurred (actual) direct costs other than salary costs that are identified in the Fee Schedule/Cost Proposal (Exhibit B).

C. CONSULTANT shall be solely responsible for any future adjustments to prevailing wage rates including, but not limited to, base hourly rates and employer payment as determined by the Department of Industrial Relations. CONSULTANT is responsible for paying the appropriate rate, including escalations that take place during the term of the CONTRACT.

D. Progress payments will be made monthly in arrears based on services provided and actual costs incurred.

E. CONSULTANT shall not commence performance of work or services until this CONTRACT has been approved by COMMISSION, and notification to proceed has been issued by COMMISSION'S Contract Manager. No payment will be made prior to approval or for any work performed prior to approval of this CONTRACT.

F. If the consultant fails to satisfactorily complete a deliverable according to the schedule set forth in the contract, no payment will be made until the deliverable has been satisfactorily completed.

G. The total amount payable by COMMISSION for this CONTRACT shall not exceed $56,043. It is understood and agreed that there is no guarantee, either expressed or implied that this dollar amount will be authorized under this CONTRACT.

3. FUNDING REQUIREMENTS

A. It is mutually understood between the CONSULTANT and COMMISSION that this CONTRACT may have been written before ascertaining the availability of funds or appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays that would occur if the CONTRACT were executed after that determination was made.

B. This CONTRACT is valid and enforceable only if sufficient funds are made available to COMMISSION for the purpose of this CONTRACT. In addition, this CONTRACT is subject to any additional restrictions, limitations, conditions, or any statute enacted by the Congress, State Legislature, federal or state agency, or COMMISSION governing board that may affect the provisions, terms, or funding of this CONTRACT in any manner.

C. It is mutually agreed that if sufficient funds are not appropriated, this CONTRACT may be amended to reflect any reduction in funds.

D. COMMISSION has the option to terminate the CONTRACT pursuant to Section 5: Termination, or by mutual agreement to amend the CONTRACT to reflect any reduction of funds.

4. RETENTION OF FUNDS

A. No retainage will be withheld by the COMMISSION from progress payments due the CONSULTANT. Retainage by the CONSULTANT or subconsultants (as identified in Article 1) is prohibited, and no retainage will be held by the CONSULTANT or subconsultants from progress payments due to subconsultants. Any violation of this provision shall subject the violating CONSULTANT or subconsultants to the penalties, sanctions, and other remedies specified in Section 3321 of the California Civil Code and/or Section 7108.5 of the California
Business and Professions Code. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the CONSULTANT or subconsultant in the event of a dispute involving late payment or nonpayment by the prime consultant or deficient subconsultant performance, or noncompliance by a subconsultant, or other good faith dispute that legally permits a CONSULTANT to withhold payments to subconsultants under California law or good cause that allows CONSULTANT to withhold payment under federal law. This provision applies to both DBE and non-DBE subconsultants.

4. TERM.
   A. This CONTRACT shall go into effect on the effective date; contingent upon prior approval by the COMMISSION governing board, and the CONSULTANT shall commence work after notification to proceed by the COMMISSION’S Contract Manager. The CONTRACT shall end on December 31, 2021, unless earlier terminated or extended by CONTRACT amendment.
   B. The CONSULTANT is advised that this CONTRACT is not binding and enforceable until it is approved by the COMMISSION's board and fully executed.

5. TERMINATION.
   A. This CONTRACT may be terminated by COMMISSION, for cause or without cause provided that COMMISSION gives not less than ten (10) calendar days written notice of its intent to terminate in the event of termination for cause provides and the reasons for termination stated in the notice.
   B. COMMISSION may temporarily suspend this CONTRACT, at no additional cost to COMMISSION provided that CONSULTANT is given written notice of temporary suspension. If COMMISSION gives such notice of temporary suspension, CONSULTANT shall immediately suspend its activities under this CONTRACT. A temporary suspension may be issued concurrent with the notice of termination.
   C. Notwithstanding any provisions of this CONTRACT, CONSULTANT shall not be relieved of liability to the COMMISSION by termination of this CONTRACT for damages sustained by COMMISSION by virtue of any breach of this CONTRACT by CONSULTANT, and COMMISSION may withhold any payments due to CONSULTANT until such time as the exact amount of damages, if any, due to COMMISSION from CONSULTANT is determined.
   D. If COMMISSION terminates this CONTRACT with CONSULTANT, COMMISSION shall pay CONSULTANT the sum due to CONSULTANT under this CONTRACT for services satisfactorily performed prior to termination, unless the cost of completion to COMMISSION exceeds the funds remaining in the CONTRACT in which case the overage shall be deducted from any sum due CONSULTANT under this CONTRACT and the balance, if any, shall be paid to CONSULTANT upon demand.
   E. Upon termination, COMMISSION shall be entitled to all CONSULTANT's work produced under this CONTRACT, including, but not limited to, reports, investigations, appraisals, inventories, studies, analysis, drawing and data estimates performed to that date, whether or not complete.
   F. OPTIONAL: COMMISSION may terminate this CONTRACT for CONSULTANT's default if a federal or state proceeding for the relief of debtors is undertaken by or against CONSULTANT, or CONSULTANT's principal, or if CONSULTANT or CONSULTANT's principal makes an assignment for the benefit of creditors.
   G. OPTIONAL: CONSULTANT may terminate this CONTRACT by giving the COMMISSION at least one hundred and twenty (120) days advance written notice. CONSULTANT shall be liable for any and all reasonable costs incurred by COMMISSION as a result of such early termination, default, including but not limited to reprocurement costs of the same or similar services defaulted or not provided by CONSULTANT under this Agreement.
6. **INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS.** CONSULTANT shall exonerate, indemnify, defend, and hold harmless the COMMISSION its governing body, officers, officials, agents, employees and volunteers from and against:

   A. Any and all claims, demands, costs, or liability arising from or connected with the services provided under this CONTRACT due to willful misconduct or negligent acts, errors, or omissions of the CONSULTANT, its officers, subconsultants, employees, volunteers, or agents. The CONSULTANT will reimburse COMMISSION for any expenditure, including reasonable attorney’s fees, incurred by COMMISSION in defending against claims ultimately determined to be due willful misconduct or to negligent acts, errors, or omissions of the CONSULTANT, its officers, subconsultants, employees, volunteers, or agents; an

   B. Any and all Federal, State and Local taxes, charges, fees, penalties, or contributions required to be paid with respect to CONSULTANT and CONSULTANT’S officers, subconsultants employees, volunteers, and agents engaged in the performance of this CONTRACT (including, without limitation, unemployment insurance, social security and payroll tax withholding).

7. **SAFETY.**

   A. The CONSULTANT shall comply with OSHA, Cal-OSHA, and all other regulations applicable to CONSULTANT regarding necessary safety equipment or procedures. The CONSULTANT shall comply with safety instructions issued by the COMMISSION Safety Officer and other COMMISSION representatives. CONSULTANT personnel shall wear hard hats and safety vests at all times while working on the construction project site.

   B. If any work might be conducted on the rail line or within the rail line right-of-way: CONSULTANT personnel (officers, employees, volunteers, or agents) and any subcontractors must submit and comply with the “right-of-entry agreement” with COMMISSION and St. Paul & Pacific Railway, LLC (a subsidiary of Progressive Rail, Inc.) SC&MB, or its successor, as applicable, the terms and conditions of which are incorporated herein by this reference, and shall wear hard hats and safety vests at all times while working on the Santa Cruz Branch Rail Line or within the rail line right-of-way.

   Pursuant to the authority contained in Section 591 of the Vehicle Code, COMMISSION has determined that such areas within the limits of the project are open to public traffic unless otherwise identified as private property. The CONSULTANT shall comply with all of the requirements set forth in Divisions 11, 12, 13, 14, and 15 of the Vehicle Code. The CONSULTANT shall take all reasonably necessary precautions for safe operation of its vehicles.

8. **INSURANCE.** CONSULTANT, at its sole cost and expense, for the full term of this CONTRACT, and any extensions thereof, shall obtain and maintain at minimum compliance with all of the following insurance coverage(s) and requirements. Such insurance coverage shall be primary coverage as respects COMMISSION and any insurance or self-insurance maintained by COMMISSION shall be excess of CONSULTANT’S insurance coverage and shall not contribute to it. Insurance is to be placed with insurers reasonably acceptable to COMMISSION.

   A. **Types of Insurance and Minimum Limits**

      1. Workers’ Compensation in the minimum statutorily required coverage amounts. This insurance coverage shall not be required if the CONSULTANT has no employees and certifies to this fact by initialing here ________.

      2. Automobile Liability Insurance for each of CONSULTANT’S vehicles used in the performance of this CONTRACT, including owned, non-owned (e.g. owned by CONSULTANT’S employees), leased or hired vehicles, in the minimum amount of $1,000,000 combined single limit per occurrence for bodily injury and property damage. This insurance coverage shall not be required if vehicle use by the CONSULTANT is not a
material part of performance of this Agreement and CONSULTANT and COMMISSION both certify to this fact by initialing here ___/____.

3. Comprehensive or Commercial General Liability Insurance coverage at least as broad as ISO form CG 00 01, with a minimum limit of two million dollars ($2,000,000) per occurrence, and $4,000,000 in the aggregate, including coverage for: (a) products and completed operations, (b) bodily and personal injury, (c) broad form property damage, (d) contractual liability, and (e) cross-liability.

4. Professional Liability Insurance in the minimum amount of one million dollars ($1,000,000) combined single limit, if, and only if, this Subparagraph is initialed by CONSULTANT and COMMISSION ___/____.

5. Railroad Protective Liability Insurance in the minimum amount of two million dollars ($2,000,000) per occurrence and six million ($6,000,000 aggregate, if any work is to be conducted within the rail line right-of-way or within fifty (50) feet of the track or Commercial General Liability Insurance coverage that does not exclude work on the railroad and with a minimum limit of two ($2,000,000) million dollars per occurrence and six ($6,000,000) million dollars in aggregate.

If CONSULTANT normally carries insurance in an amount greater than the minimum amount required by the COMMISSION for this CONTRACT, that greater amount shall become the minimum required amount of insurance for purposes of this CONTRACT. Therefore, CONSULTANT hereby acknowledges and agrees that any and all insurances carried by it shall be deemed liability coverage for any and all actions it performs in connection with this CONTRACT.

B. Other Insurance Provisions

1. If any insurance coverage required in this CONTRACT is provided on a “Claims Made” rather than “Occurrence” form, CONSULTANT agrees that the retroactive date thereof shall be no later than the effective date of this CONTRACT, and that it shall maintain the required coverage for a period of three (3) years after the expiration of this CONTRACT (hereinafter “POST CONTRACT COVERAGE”) and any extensions thereof. CONSULTANT may maintain the required POST CONTRACT COVERAGE post agreement coverage by renewal or purchase of prior acts or tail coverage. This provision is contingent upon POST CONTRACT COVERAGE being both available and reasonably affordable in relation to the coverage provided during the term of this CONTRACT. For purposes of interpreting this requirement, a cost not exceeding 100% of the last annual policy premium during the term of this CONTRACT in order to purchase prior acts or tail coverage for POST CONTRACT COVERAGE shall be deemed to be reasonable. The COMMISSION will not be responsible for any premiums or assessments on the policy.

2. All policies of Commercial General Liability Insurance and Railroad Protective Liability Insurance, if required, shall be endorsed to cover the Santa Cruz County Regional Transportation Commission, its governing body, officials, employees, agents and volunteers, and St. Paul & Pacific Railway, LLC (a subsidiary of Progressive Rail, Inc.), or its successor, and its officials, employees, agents and volunteers, if any work will be undertaken in the rail right-of-way or within fifty (50) feet from the track, as additional insureds with respect to liability arising out of the work or operations and activities performed by or on behalf of, the CONSULTANT, including materials, parts or equipment furnished in connection with such work or operations. Endorsements shall be at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10 10 01 and CG 20 37 10 01, covering ongoing operations and products and completed operations.

3. All required insurance policies shall be endorsed to contain the following clause:
“This insurance shall not be canceled until after thirty (30) days (10 days for nonpayment of premium) prior written notice has been given to:

Santa Cruz County Regional Transportation Commission  
Attn: Yesenia Parra  
1523 Pacific Avenue  
Santa Cruz, CA 95060

Should CONSULTANT fail to obtain such an endorsement to any policy required hereunder, CONSULTANT shall be responsible to provide at least thirty (30) days’ notice (10 days for non-payment of premium) of cancellation of such policy to the COMMISSION as a material term of this CONTRACT.

4. CONSULTANT agrees to provide its insurance broker(s) with a full copy of these insurance provisions and provide COMMISSION on or before the effective date of this CONTRACT with Certificates of Insurance and endorsements for all required coverages. The Certificates of Insurance must note whether the policy does or does not include any self-insured retention and also must disclose the deductible. The certificates shall require the carrier to take reasonable action to notify COMMISSION in writing of any material change, cancellation, termination or non-renewal of the coverage at least ten (10) days in advance of the effective date of any such material change, cancellation, termination or non-renewal. However, failure to obtain the required documents prior to the work beginning shall not waive the CONSULTANT’s obligation to provide them. All Certificates of Insurance and notices endorsements shall be delivered or sent to:

Santa Cruz County Regional Transportation Commission  
Attn: Yesenia Parra  
1523 Pacific Avenue  
Santa Cruz, CA 95060

5. The CONSULTANT agrees that the insurance herein provided for, shall be in effect at all times during the term of this CONTRACT. In the event said insurance coverage expires at any time or times during the term of this CONTRACT, the CONSULTANT agrees to provide at least thirty (30) days prior notice to said expiration date; and a new Certificate of Insurance evidencing insurance coverage as provided for herein, for not less than either the remainder of the term of the CONTRACT, or for a period of not less than one (1) year. New Certificates of Insurance are subject to the approval of the COMMISSION. In the event the CONSULTANT fails to keep in effect at all times insurance coverage as herein provided, the COMMISSION may, in addition to any other remedies it may have, terminate this CONTRACT upon occurrence of such event.

6. If any insurance policy of CONSULTANT required by this CONTRACT includes language conditioning the insurer’s legal obligation to defend or indemnify COMMISSION on the performance of any act(s) by the named insured, then said insurance policy, by endorsement, shall also name the COMMISSION as a named insured. Notwithstanding the foregoing, both the CONSULTANT and its insurers agree that by naming the COMMISSION as a named insured, the COMMISSION may at its sole direction, but is not obligated to, perform any act required by the named insured under said insurance policies.

7. CONSULTANT shall do all things required to be performed by it pursuant to its insurance policies including but not limited to paying within five (5) work days, all deductibles and self-insured retentions (SIR) required to be paid under any insurance policy that may provide defense or indemnity coverage to COMMISSION or any additional insured. If CONSULTANT’s insurance policy includes a self-insured retention that must be paid by a named insured as a precondition of the insurer’s liability, or which has the effect of providing
that payments of the self-insured retention by others, including additional insureds or insurers do not serve to satisfy the self-insured retention, such provisions must be modified by special endorsement so as to not apply to the additional insured coverage required by this CONTRACT so as to not prevent any of the parties to this CONTRACT from satisfying or paying the self-insured retention required to be paid as a precondition to the insurer’s liability.

8. CONSULTANT hereby grants to COMMISSION a waiver of any right of subrogation which any insurer of said CONSULTANT may acquire against the COMMISSION by virtue of the payment of any loss under such insurance. CONSULTANT agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the COMMISSION has received a waiver of subrogation endorsement from the insurer.

9. CONSULTANT shall cause the foregoing provisions to be inserted in all subcontracts for any work covered under this CONTRACT, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

9. **FEDERAL, STATE AND LOCAL LAWS.**

   A. CONSULTANT warrants that in the performance of this CONTRACT, it shall exercise usual and customary professional care in its efforts to comply with all applicable federal, state and local laws, statutes and ordinances and all lawful orders, rules and regulations promulgated thereunder. In the event of a conflict between the laws and lawful regulations of any government entities having jurisdiction over the project, the CONSULTANT shall notify COMMISSION of the nature and impact of such conflict. The COMMISSION agrees to cooperate and work with the CONSULTANT in an effort to resolve any conflict.

   B. Those laws, statutes, ordinances, rules, regulations and procedural requirements that are imposed on COMMISSION as a recipient of federal or state funds are imposed on CONSULTANT.

10. **NON-DISCRIMINATION AND COMPLIANCE PROVISIONS.**

    A. The CONSULTANT’s signature affixed herein and dated shall constitute a certification under penalty of perjury under the laws of the State of California that the CONSULTANT has, unless exempt, complied with the nondiscrimination program requirements of Gove Code 12990 and 2 CCR 8103. CONSULTANT and subconsultants shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment.

    During the performance of this CONTRACT, the CONSULTANT and its subconsultants shall not deny the CONTRACT benefits to any person on the basis of race, color, sex, gender, religious creed, national origin, ancestry, physical disability (including HIV and AIDS status), mental disability, medical condition (e.g., cancer), genetic information, marital status, gender, gender identity, gender expression, age, sexual orientation, military or veteran status. CONSULTANT and subconsultants shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Such action shall include, but not be limited to, the following: recruitment; advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training (including apprenticeship), employment, upgrading, demotion, or transfer. The CONSULTANT agrees to post in conspicuous places, available to employees and applicants for employment, notice setting forth the provisions of this non-discrimination clause.

    CONSULTANT and subconsultants shall comply with the provisions of the Fair Employment and Housing Act (Government. Code §12990 et seq.) and the applicable regulations promulgated thereunder (.2 CCR 11000et seq.), the provisions of Government Code section 11135 to 11139.5, and the regulations of standards adopted by the COMMISSION to implement such article.
C. CONSULTANT and its subconsultants shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other CONTRACT.

D. CONSULTANT shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this contract.

E. The CONSULTANT, with regard to the work performed under this CONTRACT, shall act in accordance with Title VI of the Civil Rights Act of 1964 (42 U.S.C. §2000d et seq.). Title VI provides that the recipients of federal assistance will implement and maintain a policy of nondiscrimination in which no person in the United States shall, on the basis of race, color, national origin, religion, sex, age, disability, be excluded from participation in, denied the benefits of or subject to discrimination under any program or activity by the recipients of federal assistance or their assignees and successors in interest.

F. The CONSULTANT shall comply with regulations relative to non-discrimination in federally-assisted programs of the U.S. Department of Transportation (49 CFR Part 21 - Effectuation of Title VI of the Civil Rights Act of 1964). Specifically, the CONSULTANT shall not participate either directly or indirectly in the discrimination prohibited by 49 CFR §21.5, including employment practices and the selection and retention of subconsultants.

G. CONSULTANT and its subconsultants shall permit access to all records of employment, employment advertisements, application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission or any other agency of the State of California designated by State to investigate compliance with this Article.

H. In the event of CONSULTANT’s non-compliance with the non-discrimination clauses of this CONTRACT or with any of the said rules, regulations or orders the COMMISSION may cancel, terminate or suspend the CONTRACT in whole or in part. CONSULTANT may also be declared ineligible for further agreements with the COMMISSION.

11. **HARASSMENT.** The COMMISSION maintains a strict policy prohibiting unlawful harassment, including sexual harassment, in any form, including verbal, physical and visual harassment by any employee, supervisor, manager, officer or Board member, or agent of the employer. Vendors, contractors, and consultants shall not engage in conduct that has an effect of unreasonably interfering with a COMMISSION employee's work performance or creates an intimidating, hostile or offensive work environment.

12. **PROHIBITION OF EXPENDING COMMISSION, STATE, OR FEDERAL FUNDS FOR LOBBYING.**

   A. CONSULTANT certifies to the best of his or her knowledge and belief that:

   1. No state, federal or COMMISSION appropriated funds have been paid, or will be paid by-or-on behalf of CONSULTANT to any person for influencing or attempting to influence an officer or employee of any state or agency; a Member of the State Legislature or United States Congress; an officer or employee of the Legislature or Congress; or any employee of a Member of the State Legislature or United States Congress, or any employee of a Member of the Legislature or Congress, in connection with the awarding this CONTRACT or with the extension, continuation, renewal, amendment, or modification of this CONTRACT.

   2. If any funds other than state or federal appropriated funds have been paid, or will be paid to any person for influencing or attempting to influence an officer or employee agency; a Member of Congress; an officer or employee of Congress, or an employee of a Member of Congress; in connection with this the CONSULTANT shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying”, in accordance with its instructions.

   B. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making
or entering into this transaction imposed by Section 1352, Title 31, US. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

C. CONSULTANT also agrees by signing this document that he or she shall require that the language of this certification be included in all lower-tier subcontracts, which exceed $100,000, and that all such sub recipients shall certify and disclose accordingly.

13. CONFLICT OF INTEREST.

A. During the term of this agreement, CONSULTANT shall disclose any financial, business, or other relationship with COMMISSION that may have an impact upon the outcome of this CONTRACT, or any ensuing COMMISSION construction project. CONSULTANT shall also list current clients who may have a financial interest in the outcome of this CONTRACT, or any ensuing COMMISSION construction project, which will follow.

B. CONSULTANT certifies that it has disclosed to COMMISSION any actual, apparent, or potential conflicts of interest that may exist relative to the services to be provided pursuant to this CONTRACT. CONSULTANT agrees to advise COMMISSION of any actual, apparent or potential conflicts of interest that may develop subsequent to the date of execution of this CONTRACT. CONSULTANT further agrees to complete any statements of economic interest if required by either COMMISSION ordinance or State law.

C. CONSULTANT hereby certifies that it does not now have, nor shall it acquire any financial or business interest that would conflict with the performance of services under this CONTRACT. The CONSULTANT hereby certifies that the CONSULTANT or subconsultant and any firm affiliated with the CONSULTANT or subconsultant that bids on any construction contract or on any Agreement to provide construction inspection for any construction project resulting from this AGREEMENT, has established necessary controls to ensure a conflict of interest does not exist. An affiliated firm is one, which is subject to the control of the same persons, through joint ownership or otherwise.

D. CONSULTANT hereby certifies that neither CONSULTANT, its employees, nor any firm affiliated with CONSULTANT providing services on this project prepared the Plans, Specifications, and Estimate for any construction project included within this CONTRACT. An affiliated firm is one, which is subject to the control of the same persons through joint ownership, or otherwise.

E. CONSULTANT further certifies that neither CONSULTANT or subconsultant, nor any firm affiliated with CONSULTANT or subconsultant that bids on any construction contract or any contract to provide construction inspection for any construction project resulting from this CONTRACT, has established necessary controls to ensure a conflict of interest does not exist. An affiliate firm is one, which is subject to the control of the same persons, through joint ownership or otherwise.

14. LICENSES. If a license of any kind is required of CONSULTANT, its employees, agents, or subcontractors by Federal or State law, CONSULTANT warrants that such license has been obtained, is valid and in good standing, that CONSULTANT shall keep it in effect at all times during the terms of this CONTRACT, and that any applicable bond has been posted in accordance with all applicable laws and regulations.

15. DEBARMENT AND SUSPENSION CERTIFICATION.

A. CONSULTANT’s signature affixed herein, shall constitute a certification under penalty of perjury under the laws of the State of California, that CONSULTANT or any person associated therewith in the capacity of owner, partner, director, officer, or manager, is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any federal agency; has not been suspended, debarred, voluntarily excluded, or determined ineligible by any federal agency within the past three (3) years; does not have a proposed debarment pending; and
has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three (3) years.

B. Any exceptions to this certification must be disclosed to the COMMISSION. Exceptions will not necessarily result in denial of recommendation for award, but will be considered in determining CONSULTANT responsibility. Disclosures must indicate to whom exceptions apply, initiating agency, and dates of action.

C. Exceptions to the Federal Government Excluded Parties List System maintained by the General Services Administration are to be determined by the Federal highway Administration.

16. INDEPENDENT CONSULTANT STATUS.

A. CONSULTANT and COMMISSION have reviewed and considered the principal test and secondary factors herein and agree that CONSULTANT is an independent CONSULTANT and not an employee of COMMISSION. CONSULTANT is responsible for all insurance (workers compensation, unemployment, etc.) and all payroll related taxes. CONSULTANT is not entitled to any employee benefits provided by the COMMISSION. COMMISSION agrees that CONSULTANT shall have the right to control the manner and means of accomplishing the result contracted for herein.

1. PRINCIPAL TEST: The CONSULTANT rather than COMMISSION has the right to control the manner and means of accomplishing the result contracted for.

2. SECONDARY FACTORS: (a) The extent of control which, by agreement, COMMISSION may exercise over the details of the work is slight rather than substantial; (b) CONSULTANT is engaged in a distinct occupation or business; (c) In the locality, the work to be done by CONSULTANT is usually done by a specialist without supervision, rather than under the direction of an employer; (d) The skill required in the particular occupation is substantial rather than slight; (e) The CONSULTANT rather than the COMMISSION supplies the instrumentalities, tools and work place; (f) The length of time for which CONSULTANT is engaged is of limited duration rather than indefinite; (g) The method of payment of CONSULTANT is by the job rather than by the time; (h) The work is part of a special or permissive activity, program, or project, rather than part of the regular business of COMMISSION; (i) CONSULTANT and COMMISSION believe they are creating an independent CONSULTANT relationship rather than an employer-employee relationship; and (j) The COMMISSION conducts public business.

It is recognized that it is not necessary that all secondary factors support creation of an independent CONSULTANT relationship, but rather that overall there are significant secondary factors which indicate that CONSULTANT is an independent CONSULTANT.

A. It is understood and agreed that CONSULTANT (including CONSULTANT’s employees) is an independent contractor and that no relationship of employer-employee exists between the parties hereto. CONSULTANT’s assigned personnel, officers, employees, agents, or subconsultants shall not be entitled to any benefits payable to COMMISSION employees, including, but not limited to, healthcare, retirement, and leave benefits.

B. CONSULTANT’s obligation to pay its subconsultant(s) is an independent obligation from COMMISSION’S obligation to make payments to the CONSULTANT.

C. COMMISSION is not required to make any deductions or withholds from the compensation payable to CONSULTANT under the provisions of the CONTRACT and is not required to issue W-2 Forms for income and employment tax purposes for any of CONSULTANT’s assigned personnel. CONSULTANT, in the performance of its obligation hereunder, is only subject to the
control or direction of the COMMISSION as to the designation of tasks to be performed and the results to be accomplished.

D. Any third party person(s) employed by CONSULTANT shall be entirely and exclusively under the direction, supervision and control of CONSULTANT. CONSULTANT hereby indemnifies and holds COMMISSION, its governing body, officers, employees, and agents, harmless from any and all claims that may be made against COMMISSION based upon any contention by any third part that an employer-employee relationship exists by reason of this CONTRACT.

E. Except as expressly authorized herein, CONSULTANT's obligations under this CONTRACT are not assignable or transferable, and CONSULTANT shall not subcontract any work, without the prior written approval of the COMMISSION. However, claims for money due or which become due to CONSULTANT from COMMISSION under this CONTRACT may be assigned to a financial institution or to a trustee in bankruptcy, without such approval. Notice of any assignment or transfer whether voluntary or involuntary shall be furnished promptly to the COMMISSION.

17. COST PRINCIPLES AND ADMINISTRATIVE REQUIREMENTS.

A. CONSULTANT agrees that the CONTRACT Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31.000 et seq., shall be used to determine the cost allowability of individual items.

B. CONSULTANT also agrees to comply with federal procedures in accordance with 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

C. Any costs for which payment has been made to CONSULTANT that are determined by subsequent audit to be unallowable under 48 CFR, Part 31 or 2 CFR Part 200 are subject to repayment by CONSULTANT to COMMISSION.

D. When a CONSULTANT or subconsultant is a Non-Profit Organization or an Institution of Higher Education, the Cost Principles for Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards shall apply.

E. Contractor and subcontractors shall establish and maintain, an accounting system conforming to Generally Accepted Accounting Principles (GAAP) to support Requests for Reimbursement which segregate and accumulate the costs of work elements by line item (i.e direct labor, other direct costs, subrecipients/subcontractor, etc) and enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices.

19. RETENTION OF RECORDS/AUDIT.

A. For the purpose of determining compliance with Government Code section 8546.7, CONSULTANT, its subconsultants, and COMMISSION shall maintain and make available for inspection all books, documents, papers, accounting records, Independent CPA Audited Indirect Cost Rate workpapers, and other evidence pertaining to the performance of the CONTRACT, including but not limited to, the costs of administering the CONTRACT. All parties shall make such materials available at their respective offices at all reasonable times during the CONTRACT period and for three years from the date of final payment under the CONTRACT. If any action has occurred relative to the records, the records must be retained until completion of the action and resolution of all issues that arise from it.

B. The state, State Auditor, and COMMISSION shall have access to any books, records, and documents of CONSULTANT and its certified public accountants (CPA) work papers that are pertinent to the CONTRACT and indirect cost rates (ICR) for audit, examinations, excerpts, and transactions, and copies thereof shall be furnished if requested. The Federal Highway
Administration (FHWA) or other authorized representative of the federal government shall also have access to the records described in this paragraph, if federal funds are used in this CONTRACT.

20. **INSPECTION OF WORK.** The CONSULTANT and any subconsultant shall permit the COMMISSION, the STATE, and the FHWA or FTA if federal participating funds are used in this CONTRACT, to review and inspect the project activities and files at all reasonable times during the term of this CONTRACT including review and inspection on a daily basis.

21. **ACKNOWLEDGMENT.** CONSULTANT shall acknowledge in all reports and literature that the material is prepared for and on behalf of the COMMISSION.

22. **WORK PRODUCTS/OWNERSHIP OF DATA.** All material, data, information, and written, graphic or other work produced under this CONTRACT is subject to the unqualified and unconditional right of the COMMISSION to use, reproduce, publish, display, and make derivative use of all such work, or any part of it, free of charge and in any manner and for any purpose; and to authorize others to do so. CONSULTANT shall have no property right therein whatsoever.

   A. Upon completion of all work under this CONTRACT, the COMMISSION shall be entitled to and the CONSULTANT shall deliver to the COMMISSION reports, investigations, appraisals, inventories, studies, analysis, drawing and data estimated performed to that date, whether completed or not, and other such materials as may have been prepared by CONSULTANT performing this CONTRACT which is not CONSULTANT’s privileged information, as defined by law or CONSULTANT’s personnel information along with all other property belonging exclusively to the COMMISSION which is in the CONSULTANT’s possession. Publication of the information derived from work performance or data obtained in connection with services rendered under this CONTRACT must be approved in writing by the COMMISSION.

   B. Additionally, it is agreed that the Parties intend this to be an CONTRACT for services and each considers the products and results of the services to be rendered by CONSULTANT hereunder to be work made for hire. CONSULTANT acknowledges and agrees that the work (and all rights therein, including, without limitation, copyright) belongs to and shall be the sole and exclusive property of COMMISSION without restriction or limitation upon its use or dissemination by COMMISSION.

   C. Nothing herein shall constitute or be construed to be any representation by CONSULTANT that the work product is suitable in any way for any other project except the one detailed in this CONTRACT. Any reuse by COMMISSION for another project or project location shall be at COMMISSION’s sole risk.

   D. Applicable patent rights provisions regarding rights to inventions shall be included in the CONTRACT as appropriate (48 CFR 27, Subpart 27.3 - Patent Rights under Government Contracts for federal-aid contracts).

   E. The COMMISSION may permit copyrighting reports or other contract products, subject to its rights in Section E below. If copyrights are permitted, the agreement shall provide that the COMMISSION shall have the royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use; and to authorize others to use, the work for government purposes.

   F. If any of the work is subject to copyright, trademark, service mark, or patent, CONSULTANT now grants to the COMMISSION a perpetual, royalty-free, nonexclusive and irrevocable license to use, reproduce, publish, use in the creation of derivative works, and display and perform the work, or any part of it, and to grant to any third party a comparable and coextensive sublicense.

23. **CONFIDENTIALITY OF DATA.**

   A. All financial, statistical, personal, technical, or other data and information relative to COMMISSION’s operations, which are designated confidential by COMMISSION and made
available to CONSULTANT in order to carry out this CONTRACT, shall be protected by CONSULTANT from unauthorized use and disclosure.

B. Permission to disclose information on one occasion, or public hearing held by COMMISSION relating to the CONTRACT, shall not authorize CONSULTANT to further disclose such information, or disseminate the same on any other occasion.

C. CONSULTANT shall not comment publicly to the press or any other media regarding the CONTRACT or COMMISSION’s actions on the same, except to COMMISSION’s staff, CONSULTANT’s own personnel involved in the performance of this CONTRACT, at public hearings or in response to questions from a government entity.

D. CONSULTANT shall not issue any news release or public relations item of any nature, whatsoever, regarding work performed or to be performed under this CONTRACT without prior review of the contents thereof by COMMISSION, and receipt of COMMISSION’S written permission.

24. NATIONAL LABOR RELATIONS BOARD CERTIFICATION. In accordance with Public CONTRACT Code Section 10296, CONSULTANT hereby states under penalty of perjury that no more than one final unappealable finding of contempt of court by a federal court has been issued against CONSULTANT within the immediately preceding two-year period, because of CONSULTANT’s failure to comply with an order of a federal court that orders CONSULTANT to comply with an order of the National Labor Relations Board.

25. EVALUATION OF CONSULTANT. CONSULTANT’s performance will be evaluated by COMMISSION. A copy of the evaluation will be sent to CONSULTANT for comments. The evaluation together with the comments shall be retained as part of the CONTRACT record.

26. DRUG-FREE WORKPLACE. CONSULTANT shall comply with the provisions of Government Code § 8350 et seq., regarding Drug-Free Workplace Certification, and with the U.S. DOT regulations "Drug-Free Workplace Requirements Grants" in 49 CFR Part 29, Subpart F.

27. CHANGE IN TERMS.

A. This Agreement may be amended or modified only by mutual written agreement of the parties.

B. No alteration or variation of the terms of this CONTRACT shall be valid unless made in writing and signed by the parties authorized to bind the parties; and nor oral understanding or agreement not incorporated herein, shall be binding on any of the parties hereto.

C. CONSULTANT shall only commence work covered by an amendment after the amendment is executed and notification to proceed has been provided by the COMMISSION’s Contract Manager.

28. DISPUTES. This CONTRACT shall be construed under the laws of the State of California. Pending final resolution of a dispute hereunder, CONSULTANT shall proceed diligently with the performance of this CONTRACT and shall comply with COMMISSION’s instructions.

Prior to either party commencing any legal action under this CONTRACT, the parties agree to try in good faith, to settle any dispute amicably between them. If a dispute has not been settled after thirty (30) days of good-faith negotiations and as may be otherwise provided herein, then either party may commence legal action against the other.

A. Any dispute, other than audit disputes, concerning a question of fact arising under this CONTRACT that is not disposed of by agreement shall be decided by a committee consisting of the COMMISSION’s Contract Manager and Executive Director, who may consider written or verbal information submitted by the CONSULTANT. The committee’s determination regarding such dispute shall be final unless the committee determines, in its sole discretion, that the dispute shall be determined by the Board of COMMISSION.
B. Not later than 30 days after completion of all work under the CONTRACT, CONSULTANT may request review by COMMISSION Governing Board of unresolved claims or disputes, other than audit. The request for review will be submitted in writing.

C. Neither the pendency of a dispute, nor its consideration by the committee will excuse the CONSULTANT from full and timely performance in accordance with the terms of this CONTRACT.

29. CLAIMS FILED BY COMMISSION’s CONSTRUCTION CONTRACTOR.

A. If claims are filed by COMMISSION’s construction contractor relating to work performed by CONSULTANT’s personnel, and additional information or assistance from CONSULTANT’s personnel is required in order to evaluate or defend against such claims; CONSULTANT agrees to make its personnel available for consultation with COMMISSION’S construction CONTRACT administration and legal staff and for testimony, if necessary, at depositions and at trial or arbitration proceedings.

B. CONSULTANT’s personnel that COMMISSION considers essential to assist in defending against construction contractor claims will be made available on reasonable notice from COMMISSION. Consultation or testimony will be reimbursed at the same rates, including travel costs that are being paid for CONSULTANT’s personnel services under this CONTRACT.

C. Services of CONSULTANT’s personnel in connection with COMMISSION’s construction contractor claims will be performed pursuant to a written contract amendment, if necessary, extending the termination date of this CONTRACT in order to resolve the construction claims.

30. AUDIT REVIEW PROCEDURES.

A. Any dispute concerning a question of fact arising under an interim or post-completion audit of this Agreement that is not disposed of by agreement, shall be reviewed by the COMMISSION’S Contract Manager and Executive Director

B. Not later than 30 days after issuance of the final audit report, the CONSULTANT may request a review by the COMMISSION’S Executive Director of unresolved audit issues. The request for review will be submitted in writing. The Executive Director’s determination regarding such dispute shall be final unless the Executive Director determines, in its sole discretion, that the dispute shall be determined by the RTC  COMMISSION.

C. Neither the pendency of a dispute nor its consideration by the COMMISSION will excuse the CONSULTANT from full and timely performance, in accordance with the terms of this CONTRACT.

D. CONSULTANT and subconsultants’ contracts, including cost proposals and indirect cost rates (ICR), are subject to audits or reviews such as, but not limited to, a CONTRACT Audit, an Incurred Cost Audit, an ICR Audit, or a certified public accountant (CPA) ICR Audit Workpaper Review. If selected for audit or review, the CONTRACT, Fee Schedule/Cost Proposal (Exhibit B) and ICR and related workpapers, if applicable, will be reviewed to verify compliance with 48 CFR, Part 31 and other related laws and regulations. In the instances of a CPA ICR Audit Workpaper Review it is CONSULTANT’s responsibility to ensure federal, state, or local government officials are allowed full access to the CPA’s workpapers. The CONTRACT, cost proposal, and ICR shall be adjusted by CONSULTANT and approved by COMMISSION Contract Manager to conform to the audit or review recommendations. CONSULTANT agrees that individual terms of costs identified in the audit report shall be incorporated into the CONTRACT by this reference if directed by COMMISSION at its sole discretion. Refusal by CONSULTANT to incorporate audit or review recommendations, or to ensure that the Federal, State, or local governments have access to CPA workpapers, will be considered a breach of
CONTRACT terms and cause for termination of the CONTRACT and disallowance of prior reimbursed costs.

E. CONSULTANT’s Fee Schedule/Cost Proposal (Exhibit B) may be subject to a CPA ICRA Audit Work Paper Review and/or audit by the Independent Office of Audits and Investigation (IOAI). IOAI, at its sole discretion, may review and/or audit and approve the CPA ICR documentation. The Fee Schedule/Cost Proposal (Exhibit B) shall be adjusted by the CONSULTANT and approved by the COMMISSION Contract Manager to conform to the Work Paper Review recommendations included in the management letter or audit recommendations included in the audit report. Regular by the CONSULTANT to incorporate the Work Paper Review recommendations included in the management letter or audit recommendations included in the audit report will be considered a breach of the CONTRACT terms and cause for termination of the CONTRACT and disallowance of prior reimbursed costs.

1) During IOAI’s review of the ICR audit work papers created by the CONSULTANT’s independent CPA, IOAI will work with the CPA and/or CONSULTANT toward a resolution of issues that arise during the review. Each party agrees to use its best efforts to resolve any audit disputes in a timely manner. If IOAI identifies significant issues during the review and is unable to issue a cognizant approval letter, COMMISSION will reimburse the CONSULTANT at an accepted ICR until a FAR (Federal Acquisition Regulation) compliant ICR {e.g. 48 CFR Part 31; GAGAS (Generally Accepted Auditing Standards); CAS (Cost Accounting Standards), if applicable; in accordance with procedures and guidelines of the American Association of State Highways and Transportation Officials (AASHTO) Audit Guide; and other applicable procedures and guidelines} is received and approved by IOAI.

Accepted rates will be as follows:

a. If the proposed rate is less than one hundred fifty percent (150%) - the accepted rate reimbursed will be ninety percent (90%) of the proposed rate.

b. If the proposed rate is between one hundred fifty percent (150%) and two hundred percent (200%) - the accepted rate will be eighty-five percent (85%) of the proposed rate.

c. If the proposed rate is greater than two hundred percent (200%) - the accepted rate will be seventy-five percent (75%) of the proposed rate.

2. If IOAI is unable to issue a cognizant letter per paragraph E.1. above, IOAI may require CONSULTANT to submit a revised independent CPA-audited ICR and audit report within three months of the effective date of the management letter. IOAI will then have up to six (6) months to review the CONSULTANT’s and/or the independent CPA’s revisions.

3. If the CONSULTANT fails to comply with the provisions of this paragraph E, or if IOAI is still unable to issue a cognizant approval letter after the revised independent CPA audited ICR is submitted, overhead cost reimbursement will be limited to the accepted ICR that was established upon initial rejection of the ICR and set forth in paragraph E.1. above for all rendered services. In this event, this accepted ICR will become the actual and final ICR for reimbursement purposes under this AGREEMENT.

4. CONSULTANT may submit to COMMISSION final invoice only when all of the following items have occurred: (1) IOAI accepts or adjusts the original or revised independent CPA audited ICR; (2) all work under this AGREEMENT has been completed to the satisfaction of COMMISSION; and, (3) IOAI has issued its final ICR review letter. The CONSULTANT MUST SUBMIT ITS FINAL INVOICE TO COMMISSION no later than sixty (60) calendar days after occurrence of the last of these
items. The accepted ICR will apply to this AGREEMENT and all other agreements executed between COMMISSION and the CONSULTANT, either as a prime or subconsultant, with the same fiscal period ICR.

31. SUBCONTRACTING.

A. The CONSULTANT is responsible for performing the work required under the CONTRACT in a manner acceptable to COMMISSION. The CONSULTANT’s organization and all associated consultants and subconsultants must be identified in Article 1 of this CONTRACT or the Fee Schedule/Cost Proposal (Exhibit B). If the CONSULTANT wishes to use a subconsultant not specified in this CONTRACT or Exhibit B, prior written approval must be obtained from the local agency. The subcontract must contain all required provisions of this CONTRACT. All subawards must include adequate oversight, management, and administration of engineering and design related consultant services and be administered in accordance with State laws and procedures specified in 23 U.S.C.106(g)(4) and 2 CFR 200.331.

B. Nothing contained in this CONTRACT or otherwise, shall create any contractual relation between COMMISSION and any subconsultant(s), and no subcontract shall relieve CONSULTANT of its responsibilities and obligations hereunder. CONSULTANT agrees to be as fully responsible to COMMISSION for the acts and omissions of its subconsultant(s) and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by CONSULTANT. CONSULTANT’s obligation to pay its subconsultant(s) is an independent obligation from COMMISSION’S obligation to make payments to the CONSULTANT.

C. The CONSULTANT shall perform the work contemplated with resources available within its own organization; and no portion of the work pertinent to this CONTRACT shall be subcontracted without prior written authorization by the COMMISSION’S Contract Manager, except that, which is expressly identified in the approved Fee Schedule/Cost Proposal (Exhibit B).

D. CONSULTANT shall pay its subconsultants within fifteen (15) calendar days from receipt of each payment made to CONSULTANT by COMMISSION.

E. All subcontracts entered into as a result of this CONTRACT shall contain all the provisions stipulated in this CONTRACT to be applicable to subconsultants.

F. Any substitution of subconsultants must be approved in writing by the COMMISSION’s Contract Manager prior to the start of work by the subconsultant.

G. The CONSULTANT hereby agrees that neither CONSULTANT, nor any firm affiliated with the CONSULTANT, will bid on or enter into any construction CONTRACT, or on any CONTRACT to provide construction inspection for any construction project resulting from this CONTRACT. An affiliated firm is one which is subject to the control of the same persons through joint-ownership, or otherwise.

H. Except for subconsultants whose services are limited to providing surveying or materials testing information, no subconsultant who has provided design services in connection with this CONTRACT shall be eligible to bid on or enter into any construction contract, or on any contract to provide construction inspection for any construction project resulting from this CONTRACT.

32. EQUIPMENT PURCHASE.

A. Prior authorization in writing, by COMMISSION’s Contract Manager shall be required before CONSULTANT enters into any unbudgeted purchase order, or subcontract exceeding $5,000 for supplies, equipment, or CONSULTANT services. CONSULTANT shall provide an evaluation of the necessity or desirability of incurring such costs.
B. For purchase of any item, service or consulting work not covered in CONSULTANT’s Fee Schedule/Cost Proposal (Exhibit B) and exceeding $5,000 prior authorization by COMMISSION’s Contract Manager; three competitive quotations must be submitted with the request, or the absence of bidding must be adequately justified.

C. Any equipment purchased as a result of this CONTRACT is subject to the following:

   1. “CONSULTANT shall maintain an inventory of all nonexpendable property. Nonexpendable property is defined as having a useful life of at least two years and an acquisition cost of $5,000 or more. If the purchased equipment needs replacement and is sold or traded in, COMMISSION shall receive a proper refund or credit at the conclusion of the CONTRACT; or if the CONTRACT is terminated, CONSULTANT may either keep the equipment and credit COMMISSION in an amount equal to its fair market value, or sell such equipment at the best price obtainable at a public or private sale, in accordance with established COMMISSION procedures; and credit COMMISSION in an amount equal to the sales price. If CONSULTANT elects to keep the equipment, fair market value shall be determined at CONSULTANT’s expense, on the basis of a competent independent appraisal of such equipment. Appraisals shall be obtained from an appraiser mutually agreeable to by COMMISSION and CONSULTANT, if it is determined to sell the equipment, the terms and conditions of such sale must be approved in advance by COMMISSION.”

   2. Regulation 2 CFR, Part 200 requires a credit to Federal funds when participating equipment with a fair market value greater than $5,000 is credited to the project.

33. STATE PREVAILING WAGE RATES.

A. CONSULTANT shall comply with the State of California’s General Prevailing Wage Rate requirements in accordance with California Labor Code, Section 1770, and all Federal, State, and local laws and ordinances applicable to the work, as may be amended.

B. No CONSULTANT or subconsultant may be awarded a contract containing public work elements unless registered with the Department of Industrial Relations (DIR) pursuant to Labor Code 1725.5. Registration with DIR must be maintained throughout the entire term of the contract, including any subsequent amendments.

C. The CONSULTANT shall comply with all of the applicable provisions of the California Labor Code requiring the payment of prevailing wages. The General Prevailing Wage Rate Determination applicable to work under this CONTRACT are available and on file with the Department of Transportation’ Regional/District Labor Compliance Officer. (https://dot.ca.gov/programs/construction/labor-compliance). These wage rates are made a specific part of this CONTRACT by reference pursuant to Labor Code §1773.2 and will be applicable to work performed at a construction project site. Prevailing wages will be applicable to all inspection work performed at COMMISSION construction sites, at COMMISSION facilities and at off-site locations that are set up by the construction contractor or one of its subcontractors solely and specifically to serve COMMISSION projects. Prevailing wage requirements do not apply to inspection work performed at the facilities of vendors and commercial materials suppliers that provide goods and services to the general public.

D. General Prevailing Wage Rate Determinations applicable to this project may also be obtained from the Department of Industrial Relations website at http://www.dir.ca.gov.

E. Payroll Records

   1. Each CONSULTANT and Subconsultant shall keep accurate certified payroll records and supporting documents as mandated by Labor Code §1776 and as defined in 8 CCR §16000 showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid
to each journeyman, apprentice, worker, or other employee employed by the CONSULTANT or Subconsultant in connection with the public work. Each payroll record shall contain or be verified by a written declaration that it is made under penalty of perjury, stating both of the following:

a. The information contained in the payroll record is true and correct.

b. The employer has complied with the requirements of Labor Code §1771, §1811, and §1815 for any work performed by his or her employees on the public works project.

2. The payroll records enumerated under paragraph (1) above shall be certified as correct by the CONSULTANT under penalty of perjury. The payroll records and all supporting documents shall be made available for inspection and copying by COMMISSION representatives at all reasonable hours at the principal office of the CONSULTANT. The CONSULTANT shall provide copies of certified payrolls or permit inspection of its records as follows:

a. A certified copy of an employee's payroll record shall be made available for inspection or furnished to the employee or the employee's authorized representative on request.

b. A certified copy of all payroll records enumerated in paragraph (1) above, shall be made available for inspection or furnished upon request to a representative of COMMISSION, the Division of Labor Standards Enforcement and the Division of Apprenticeship Standards of the Department of Industrial Relations or other party given the right to inspect the payroll records under state law. Certified payrolls submitted to COMMISSION, the Division of Labor Standards Enforcement and the Division of Apprenticeship Standards shall not be altered or obliterated by the CONSULTANT.

c. The public shall not be given access to certified payroll records by the CONSULTANT, but shall be available upon request made through COMMISSION or the Department of Industrial Relations. The CONSULTANT is required to forward any requests for certified payrolls to the COMMISSION Contract Administrator by both email and U.S. mail no later than the business day following receipt of the request.

3. Each CONSULTANT shall submit a certified copy of the records enumerated in paragraph (1) above, to the entity that requested the records within ten (10) calendar days after receipt of a written request. In the case of a request from a member of the public, the ten (10) days shall be from the date of the request from the member of the public. In the event the CONSULTANT or Subconsultant fails to comply within the ten (10) day period, the CONSULTANT or Subconsultant shall, as a penalty to COMMISSION, forfeit one hundred dollars ($100) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Such penalties shall be withheld by COMMISSION from payments then due. CONSULTANT is not subject to a penalty assessment pursuant to this section due to the failure of a Subconsultant to comply with this section.

4. Any copy of records made available for inspection as copies and furnished upon request to the public or any public agency by COMMISSION shall be marked or obliterated in such a manner as to prevent disclosure of each individual's name, address, and social security number. The name and address of the CONSULTANT or Subconsultant performing the work shall not be marked or obliterated.
5. The CONSULTANT shall inform COMMISSION of the location of the records enumerated under paragraph (1) above, including the street address, city and county, and shall, within five (5) working days, provide a notice of a change of location and address.

6. In the event the CONSULTANT or subconsultant fails to comply within the ten (10) day period, he or she shall, as a penalty to COMMISSION, forfeit one hundred dollars ($100) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Such penalties shall be withheld by COMMISSION from payments then due. CONSULTANT is not subject to a penalty assessment pursuant to this section due to the failure of a subconsultant to comply with this section.

E. When prevailing wage rates apply, the CONSULTANT is responsible for verifying compliance with certified payroll requirements. Invoice payment will not be made until the invoice is approved by the COMMISSION Contract Manager.

F. Penalty

1. The CONSULTANT and any of its subconsultants shall comply with Labor Code §1774 and §1775. Pursuant to Labor Code §1775, the CONSULTANT and any subconsultant shall forfeit to the COMMISSION a penalty of not more than two hundred dollars ($200) for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of DIR for the work or craft in which the worker is employed for any public work done under the CONTRACT by the CONSULTANT or by its subconsultant in violation of the requirements of the Labor Code and in particular, Labor Code §§1770 to 1780, inclusive.

2. The amount of this forfeiture shall be determined by the Labor Commissioner and shall be based on consideration of mistake, inadvertence, or neglect of the CONSULTANT or subconsultant in failing to pay the correct rate of prevailing wages, or the previous record of the CONSULTANT or subconsultant in meeting their respective prevailing wage obligations, or the willful failure by the CONSULTANT or subconsultant to pay the correct rates of prevailing wages. A mistake, inadvertence, or neglect in failing to pay the correct rates of prevailing wages is not excusable if the CONSULTANT or subconsultant had knowledge of the obligations under the Labor Code. The CONSULTANT is responsible for paying the appropriate rate, including any escalations that take place during the term of the CONTRACT.

3. In addition to the penalty and pursuant to Labor Code §1775, the difference between the prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the CONSULTANT or subconsultant.

4. If a worker employed by a subconsultant on a public works project is not paid the general prevailing per diem wages by the subconsultant, the prime CONSULTANT of the project is not liable for the penalties described above unless the prime CONSULTANT had knowledge of that failure of the subconsultant to pay the specified prevailing rate of wages to those workers or unless the prime CONSULTANT fails to comply with all of the following requirements:

   a. The CONTRACT executed between the CONSULTANT and the subconsultant for the performance of work on public works
projects shall include a copy of the requirements in Labor Code §§ 1771, 1775, 1776, 1777.5, 1813, and 1815.

b. The CONSULTANT shall monitor the payment of the specified general prevailing rate of per diem wages by the subconsultant to the employees by periodic review of the certified payroll records of the subconsultant.

c. Upon becoming aware of the subconsultant’s failure to pay the specified prevailing rate of wages to the subconsultant’s workers, the CONSULTANT shall diligently take corrective action to halt or rectify the failure, including but not limited to, retaining sufficient funds due the subconsultant for work performed on the public works project.

d. Prior to making final payment to the subconsultant for work performed on the public works project, the CONSULTANT shall obtain an affidavit signed under penalty of perjury from the subconsultant that the subconsultant had paid the specified general prevailing rate of per diem wages to the Subconsultant’s employees on the public works project and any amounts due pursuant to Labor Code §1813.

5. Pursuant to Labor Code §1775, COMMISSION shall notify the CONSULTANT on a public works project within fifteen (15) calendar days of receipt of a complaint that a subconsultant has failed to pay workers the general prevailing rate of per diem wages.

6. If COMMISSION determines that employees of a subconsultant were not paid the general prevailing rate of per diem wages and if COMMISSION did not retain sufficient money under the CONTRACT to pay those employees the balance of wages owed under the general prevailing rate of per diem wages, the CONSULTANT shall withhold an amount of moneys due the subconsultant sufficient to pay those employees the general prevailing rate of per diem wages if requested by COMMISSION.

G. Hours of Labor: Eight (8) hours labor constitutes a legal day’s work. The CONSULTANT shall forfeit, as a penalty to the COMMISSION, twenty-five dollars ($25) for each worker employed in the execution of the CONTRACT by the CONSULTANT or any of its subconsultants for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of the Labor Code, and in particular §§1810 to 1815 thereof, inclusive, except that work performed by employees in excess of eight (8) hours per day, and forty (40) hours during any one week, shall be permitted upon compensation for all hours worked in excess of eight (8) hours per day and forty (40) hours in any week, at not less than one and one-half (1.5) times the basic rate of pay, as provided in §1815.

H. Employment of Apprentices

1. Where either the CONTRACT or the subcontract exceeds thirty thousand dollars ($30,000), the CONSULTANT and any subconsultants under him or her shall comply with all applicable requirements of Labor Code §§ 1777.5, 1777.6 and 1777.7 in the employment of apprentices.

2. CONSULTANTS and subconsultants are required to comply with all Labor Code requirements regarding the employment of apprentices, including mandatory
ratios of journey level to apprentice workers. Prior to commencement of work, CONSULTANT and subconsultants are advised to contact the DIR Division of Apprenticeship Standards website at https://www.dir.ca.gov/das/, for additional information regarding the employment of apprentices and for the specific journey-to-apprentice ratios for the CONTRACT work. The CONSULTANT is responsible for all subconsultants’ compliance with these requirements. Penalties are specified in Labor Code §1777.7.

I. When prevailing wages apply to the services described in the scope of work, transportation and subsistence costs shall be reimbursed at the minimum rates set by the Department of Industrial Relations (DIR) as outlined in the applicable Prevailing Wage Determination. See http://www.dir.ca.gov.

35. **REBATES, KICKBACKS OR OTHER UNLAWFUL CONSIDERATION.** The CONSULTANT warrants that this CONTRACT was not obtained or secured through rebates, kickbacks, or other unlawful consideration, either promised or paid to any COMMISSION employee. For breach or violation of this warranty, COMMISSION shall have the right in its discretion; to terminate the CONTRACT without liability; to pay only for the value of the work actually performed; or to deduct from the CONTRACT price; or otherwise recover the full amount of such rebate, kickback or other unlawful consideration.

36. **BROKERAGE OR OTHER FEES.** CONSULTANT warrants that no person or selling agency has been employed or retained to solicit or secure this CONTRACT upon an agreement or understanding, for a commission, percentage, brokerage or contingent, excepting bona fide employees or bona fide commercial or selling agencies maintained by the CONSULTANT for the purpose of securing business. For breach or violation of this warranty, the COMMISSION shall have the right to annul this agreement without liability, or at its discretion to deduct from the agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.”

37. **NOTIFICATION.** All notices hereunder and communications regarding interpretation of the terms of this CONTRACT and changes thereto, shall be effected by the mailing thereof by registered or certified mail, return receipt requested, postage prepaid, and addressed or emailing with delivery receipt requested as follows:

**CONSULTANT:** MNS Engineers, Inc.
Paul Goryl, Project Manager
111 North Market Street, Ste 440
San Jose, CA 95113
pgoryl@mnsengineers.com

**COMMISSION:** Santa Cruz County Regional Transportation Commission (SCCRTC)
Sarah Christensen, Contract Manager
1523 Pacific Ave
Santa Cruz, CA 95060

38. **FORCE MAJEURE**

Neither COMMISSION nor CONSULTANT will be liable for any breach or failure to perform under this CONTRACT or any other documents incorporated by reference herein if such breach or failure to perform is due to acts beyond the reasonable control of such party, which include by way of illustration, but not limitation, acts of God or public enemy, acts of federal, state, or local government, either in its sovereign or contractual capacity, fire, floods, epidemics and quarantines, civil disobedience, strikes, lock-outs, freight embargoes, or severe weather provided, however, that party which has been so affected will promptly give written notice to the other of the fact that it is
unable to so perform and the cause(s) therefore. The party claiming force majeure shall promptly notify the other party of the termination of the event and shall resume its performance under this CONTRACT immediately upon the cessation of such cause(s). During the period that the performance by one of the parties of its obligations under this CONTRACT has been suspended because of an event of force majeure, the other party may likewise suspend the performance of its obligations under this CONTRACT to the extent that the suspension is reasonable.

39. COMPLETE CONTRACT.

A. CONTRACT: The two parties to this CONTRACT, who are the before named CONSULTANT and the before named COMMISSION, hereby agree that this CONTRACT constitutes the entire CONTRACT which is made and concluded in duplicate between the two parties. Both of these parties for and in consideration of the payments to be made, conditions mentioned, and work to be performed; each agree to diligently perform in accordance with the terms and conditions of this CONTRACT as evidenced by the signatures below.

B. COMMISSION DESIGNEE: The Executive Director of COMMISSION, or his or her designee, shall have the authority to act for and exercise any of the rights of COMMISSION as set forth in this CONTRACT subsequent to, and in accordance with the authorization granted by the COMMISSION.

C. COMPLETE AGREEMENT, INCLUDING ATTACHMENTS. This CONTRACT includes all exhibits, attachments, and documents incorporated herein and made applicable by reference, constitutes the complete and exclusive statement of the terms and conditions of the CONTRACT between COMMISSION and CONSULTANT, and supersedes all prior representations, understandings and communications. The invalidity in whole or in part of any term or condition of this CONTRACT shall not affect the validity of other terms or conditions. The COMMISSION’s waiver of CONSULTANT’s performance of any term(s) or condition(s) of this CONTRACT shall not be construed as a waiver for any future performance of such term(s) or conditions(s).

D. Attachments are:
   Exhibit A: Scope of Services
   Exhibit B: Fee Schedule/Cost Proposal

   Required Caltrans LAPM Forms:
   LAPM Exhibit 10-K
   LAPM Exhibit 10-H2

Each of the undersigned represents and warrants that he or she is duly authorized to execute and deliver this Agreement and that such execution is binding upon the entity for which he or she is executing this document.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement No. ____________ to be executed on the date first written above.

2. CONSULTANT

By: _______________________________
   SIGNED
   PRINTED
   DATE: _________________________

4. SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION

By: _______________________________
   SIGNED
   PRINTED
   DATE: _________________________
3. APPROVED AS TO INSURANCE:  1. APPROVED AS TO FORM:

_________________________________        ____________________________________
RTC Administrative Services Officer       COMMISSION Counsel
DATE:  _______________________      DATE:  ___________________________

DISTRIBUTION:
• RTC Fiscal & Contract Manager
• CONSULTANT

\RTCSERV2\Internal\RAIL\SCBRL On-Call Engineering Services\Storm Damage CM Phase 2\Draft Contract\Storm Damage Phase 2_CM_MNS_Site 5.docx
Exhibit A: Scope of Services
MNS’ services will be divided into three phases: Phase 1 – Pre-Construction; Phase 2 – Construction Services; and Phase 3 – Project Closeout. The following scope of work provides a brief description of tasks and responsibilities MNS will provide.

PHASE 1.0 PRE-CONSTRUCTION PHASE SERVICES

Task 1.1 Project Review, Pre-Job Coordination and Project Set-Up
Upon receipt of the Notice to Proceed from the SCCRTC, MNS will contact the key individuals involved in the project and establish a clear protocol for the contract administration, lines of communication, and levels of authorization. MNS Project Manager, Paul Goryl, PE, will coordinate with the RTC Project Manager to establish a firm foundation of communication and understanding of the project. MNS will set up documentation and filing systems consistent with the Caltrans LAPM and meets the FEMA and OES requirements.

Task 1.2 Development of Construction Schedule
After review of the final plans and specifications, MNS will review and comment on the construction schedule developed by the Program Manager which optimizes the number of working days to be specified for each project.

Task 1.3 Constructability/Biddability Review
MNS will review and comment on the constructability/biddability review performed by the Program Manager. Constructability/biddability comments will be discussed with the RTC Program Manager and Designer, and resolutions incorporated into a bid addendum if required.

Task 1.4 Advertise Construction Contract, Bid Assistance and Management
As funding for the construction contract includes state and federal funding sources, the advertise and award procedures contained in the Caltrans Local Assistance Procedures Manual (LAPM) will be used. MNS will assist in reviewing the bid documents to ensure necessary documents and forms are included with the bid package.

During the advertising period, the MNS team will manage bid enquiries and responses back to potential bidders. The responses will involve timely coordination with the Designer, RTC and their Program Manager, and possibly others such as RTC’s legal council. The resulting responses from potential bidder enquiries may or may not require a contract or PS&E addenda. If contract or PS&E addenda are required, MNS will coordinate the addenda preparation and distribute to potential bidders and ensure that all bidders certify receipt of all addenda.

MNS will assist the RTC with their online bidding process with Bid Express, which will include an electronic plan room to distribute the bidding documents and to disseminate bid inquiry/responses and addendums to the potential bidders.

Task 1.5 Bid Opening and Award
It is assumed that the RTC will follow the FHWA policy requiring bids to be opened publicly and read aloud either item-by-item or by total amount. Just as the bid may be rejected for being irregular or unresponsive, a bid may also be rejected on the grounds that the bidder is not a responsible bidder. MNS will conduct an initial review of the bids to determine if all bids received are responsive and from responsible bidders (contractor not suspended or debarred from state or federal contracts). The RTC’s bid opening procedures will be followed and are assumed to include:

- Bids submitted include a completed addenda certification statement.
- The bids shall be retained in BidExpress until the designated time and place for public opening.
• All bids received in accordance with the terms of the advertisement shall be publicly opened and announced either item by item or by total amount.
• If any bid received is not read aloud, the name of the bidder and the reason for not reading the bid aloud shall be publicly announced at the bid opening.
• Negotiation with contractors, during the period following the opening of bids and before the award of the contract shall not be permitted.

MNS will conduct a bid analysis for the projects. The bid analysis process is an examination of the unit bid prices for reasonable conformance with the engineer’s estimated prices, it forms the basis to justify the award or rejection of the bids and should assure that good competition and the lowest possible cost were received.

If any bid protests are received by the RTC, MNS will assist in review, evaluation and response to protests received, in accordance with the RTC’s procedures, the contract specifications and any amendments thereto. After review and evaluation of any bid protests, the MNS will issue a recommendation to the RTC to reject or accept the bid protest for subsequent formal review, consideration, and action by the RTC Board.

Task 1.6 Pre-Construction Conference
A pre-construction conference will be scheduled. All appropriate parties will be invited including the selected contractor, RTC staff, and any other involved entities at the RTC’s discretion. At the pre-construction conference, we will discuss the hierarchy of both the RTC and the contractor as well as establish the protocol to be used throughout the project. Safety will be an important item discussed thoroughly to ensure a safe working environment for the contractor and the public. The meeting will set the tone of cooperation for the project and elaborate on contract requirements and concerns. MNS will distribute meeting minutes to all parties in attendance.

PHASE 2.0 CONSTRUCTION PHASE SERVICES
Task 2.1 Contract Administration/Document Control
MNS will implement the project administration system discussed in Task 1.1. Our system will contain a method for organizing files forms, and spreadsheets to assist in tracking correspondence, submittals, requests for information (RFIs), contract change orders (CCOs), progress payments, and documenting materials testing results. Contract administration includes:

Diaries
Labor compliance and certified payrolls
Logs for submittals, RFIs, CCOs, and materials testing results
Correspondence, permits, and agreements
Progress schedule/Weekly Statement of Working Days (WSWDs)
Progress Pay Estimates and quantities
FEMA documentation
Safety and traffic control
Weekly meetings agenda and minutes

Task 2.2 Project Communication and Coordination
The MNS Resident Engineer/Inspector will oversee project communication and coordination with the RTC, emergency services, residents, any utility companies, contractor, and materials technicians throughout the construction phase. The pre-construction conference and weekly progress meetings will help the construction team to stay abreast of project issues and progress.
Task 2.3  Project Schedule Adherence
MNS will request a schedule from the contractor prior to construction. The MNS Resident Engineer will require and review the three-week-look-ahead schedule from the contractor on a weekly basis. This schedule will assist in managing the contractor’s progress and allows our team to coordinate and schedule materials and soils testing. The contractor will issue WSWDs to document the progress of the work and the number of working days expended.

Task 2.4  Cost Control
The project’s document control system will track and monitor the actual project construction costs. The tracking of contract item payments and quantities is incorporated into the progress payment spreadsheet. The project contingency balance will be verified as part of the monthly progress pay estimate review and submittal.

Task 2.5  Quantity Calculations and Progress Estimate
MNS will prepare accurate and complete quantity calculations (Q-sheets) for each contract item and each progress pay estimate. The MNS Resident Engineer will track any extra work and supplemental work costs to be compared against the authorized change order amounts. We will review the contractor’s monthly Request for Payment and recommend approval for payment to the RTC.

Task 2.6  Submittals/RFIs
MNS will perform timely review of submittals and RFIs; all submittals and RFIs will be logged and distributed as necessary. The Resident Engineer will monitor the log to verify responses are submitted in a timely manner. Initial submittals to be reviewed and approved as the first order of work include:

- Project schedule
- Safety Plan
- SWPPP/WPCP
- Materials Submittals

Task 2.7  Change Orders and Claims Management
Prior to beginning any contract work, we will coordinate with the RTC to define the CCO process. All CCOs must define the project scope of work and limits and comply with the project documents. Our construction management team will be proactive in identifying actual and potential problems and work towards a timely and cost-effective solution. The Resident Engineer will:

- Determine the validity and justification for all change orders
- Notify the RTC if a change order is needed
- Negotiate costs with the contractor
- Process through the RTC

MNS will work closely with the RTC Project Manager, and contractor to resolve all change orders and/or disputes. That said, if a dispute has been filed, MNS will work diligently to thoroughly understand the nature and extent of the dispute and resolve it as quickly as possible. We will act on and process any Notice of Potential Claims (NOPCs) submitted by the contractor in a timely manner and in accordance with the contract documents and the RTC’s procedures.

Task 2.8  Construction Inspection
The MNS Inspector will implement the inspection guidelines for monitoring the quality of the contractor's work. The Inspector will be onsite as required to inspect the work is performed safely and in accordance with the contract documents.

The Inspector’s responsibilities will also include:

**Inspection.** Inspect the construction for compliance to the plans and specifications.
Traffic Control. Inspect the contractor’s traffic control per approved standards. Notify the contractor of any perceived unsafe conditions.

Daily Reports. Prepare inspection reports, quantities, note any safety issues, and include an accurate description of the work, labor, and equipment. Note any extra work or changes to the plans. Maintain photographic record of construction.

Materials. Verify approved materials are incorporated into the project.

Record Drawings. Maintain a set of field as-built plans.

Punch List. Prepare punch list and inspect for completion of punch list work items. Perform final walkthrough with the RTC Project Manager and the contractor.

Task 2.9 Site Documentation
MNS will take pre-construction site photos to document the existing condition of the project limits prior to construction. Our team will also document construction throughout the life of the project. All photos will be logged and filed in the project files.

Task 2.10 Safety
The contractor has sole responsibility for compliance with safety requirements on the construction contract, but the construction management team will monitor compliance with their safety program and advise the contractor of observed deficiencies that need to be addressed. The contractor’s approved Safety Plan, Manual on Uniform Traffic Control Devices (MUTCD), and Cal/OSHA Safety Orders will guide our inspectors in monitoring the contractor’s work.

Task 2.11 Materials Testing
MNS will coordinate with our materials testing subconsultant, Pacific Crest, to provide necessary materials testing for each project.

Task 2.12 Record Drawings (As-Builts)
MNS will track and maintain as-built drawings in accordance with the contract requirements and ensure they are complete. MNS will keep a field set of as-built drawings for use in reviewing the contractor’s copy. Upon completion, the final set of record drawings will be reviewed by the MNS Resident Engineer/Inspector and submitted through the RTC Project Manager for final processing.

Task 2.13 FEMA Support/Documentation Review
MNS will review Supporting Documentation that may be used to support claim of reimbursement from FEMA to RTC. Reviews will be completed at the beginning of the project prior to construction, at the mid-point of construction and at the completion of the project. Example of documents (provided by others, if available) to be reviewed to support the FEMA claim.

- Records that demonstrate the damage to public facility
- Drawings, sketches, and plans of pre-disaster facility design (to scale)
- Drawings and sketches of disaster-related damages (to scale)
- Drawings and sketches of completed or proposed repair (to scale)
- Calculation sheets detailing specific dimensions and quantities of damage
- Force account labor records (i.e., payroll information, timesheets, and administrative policies)
- Temporary hire labor records (i.e., work for which the labor was needed, payroll information, and timesheets)
- Force account equipment usage information and rate schedules
- Rental and lease agreements
- Photographs of site, overall facility, specific damage, and repairs
- Subgrant Applications (Project Worksheets)
- Site location maps
- Flood Insurance Rate Maps
- Facility maintenance records (e.g., for roads or debris basins)
- Facility inspection/safety reports (as may be available for bridges and dams)
- Engineering/technical reports and specifications for repair
- Codes and standards governing repairs/replacements
- Insurance information (i.e., policies, proof of loss statements from insurance company, deductible information, etc.)
- Documents supporting compliance with environmental and historical preservation issues
- Hazard mitigation proposals (as allowed under Section 406 of the Stafford Act)
- Justification for requests for a relocation, improved, or alternate project
- Contract procurement procedure
- Contracts or contractor bids (including invoices and copies of payments)
- Inspection logs for work included in Subgrant Applications (Project Worksheets)
- Permits
- Correspondence
- Invoices/warrants/checks
- Job orders
- Mutual aid agreements and records of mutual aid requests and receipt

**PHASE 3.0 POST-CONSTRUCTION PHASE SERVICES**

**Task 3.1 Close-Out**

MNS will review the contractor’s as-built drawings for completeness and provide the set to the RTC for final processing of the as-built plans. The Resident Engineer and Inspector will prepare and submit a final punch list of outstanding contract items to the contractor. A final walk through of the project will be scheduled with the RTC and any other involved entities at the RTC’s discretion. The Resident Engineer will ensure all concerns are addressed prior to recommending final acceptance of the contract to the RTC. Once the contractor provides all required documentation, MNS will submit a Final Pay request for final payment. MNS will submit all job files and final reports required for funding reimbursement to the RTC upon completion of the contract.
## Project Schedule

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### Direct Expenses

- **Lodging**: 30 days @ $130/day
  - **TOTAL COST**: $4,290.00
- **Meals**: 30 days @ $61/day
  - **TOTAL COST**: $2,013.00
- **SUB-TOTAL**: $6,303.00

### Sub Consultants

- **Materials Testing**: Pacific Crest
  - **TOTAL COST**: $10,000.00
  - **SUB CONSULTANTS SUB-TOTAL**: $10,000.00

**PROJECT TOTAL**: $56,043.00

### Notes:

1. Assumes that Sites 4 & 6 will be constructed as one construction project
2. Monthly hours for construction inspectors are based upon eight-hour working days times the number of working days that month, with no overtime (OT).
3. Construction Management hours for the construction phase are based on 30 working days with a start date of October 15, 2020. During this period, the construction inspectors will be 100% utilized, resident engineer will be approximately 50% utilized, and the office engineer will be 20% utilized.
4. Prevailing Wage rates subject to PW adjustments.
5. The above estimate doesn't include any OT hours. However, should OT hours be required due to contractor's schedule, non-exempt employees are subject to OT regulations (Time and half & double time).
6. No support for delays due to weather, CCO, R/W, and claims filed by contractor in response to the Proposed Final Estimate.
7. A 15% markup to be applied to Direct Costs and subconsultants.
8. Lodging and meal allowance are based on the current GSA per diem rates for Santa Cruz County.
TO: Regional Transportation Commission

FROM: Sarah Christensen, P.E.

RE: Update – Site 7 of the 2017 Storm Damage Repairs along the Santa Cruz Branch Rail Corridor

RECOMMENDATIONS

This item is for information only.

BACKGROUND

In 2017 historic rain and flooding resulted in fallen trees, landslides, erosion, and other damages along the Santa Cruz Branch Rail Line (SCBRL). In February of 2017, the Federal Emergency Management Agency (FEMA) announced that federal disaster assistance had been made available for emergency repair of facilities damaged by the severe 2017 winter storms to eligible local government agencies across California. The RTC submitted a Request for Public Assistance for storm damage repair work along the SCBRL, which was approved by FEMA.

Between November 2017 and January 2018, RTC and FEMA Public Assistance Program staff inspected the damages incurred along the SCBRL. FEMA then issued the Damage Description and Dimensions (DDD) and Scope of Work (SOW) for seven (7) storm damage repair distinct sites (Site).

Storm damage site 7 is located in Aptos at the southern railroad bridge over Highway 1. The repair work for site 7 includes repair of the bridge railing and fence that was damaged by a fallen tree as a result of the 2017 storms.

The RTC obtained an encroachment permit from Caltrans in April of 2020. The encroachment permit was needed from Caltrans because the project improvements require the short-term closure of northbound Highway 1 to install a support system for the construction of the bridge railing repair.

The project was advertised in May of 2020 and one bid was received, which was well in excess of the engineers estimate. Since the line is out-of-service and the damaged railing is secure, staff had concerns in justifying the award of this contract based on only one bid. Accordingly, the bid was rejected on June 29, 2020 and staff was directed to return to the Commission with a plan to construct the repair by the end of 2020.
DISCUSSION

The Site 7 project was advertised on May 7, 2020 through the RTC electronic bidding platform for formal advertisements of construction contracts, BidExpress and posted in local newspapers and bid boards. An optional pre-bid walk took place on May 14, 2020 to review the scope of work for the storm damage repair site. The original bid opening was scheduled for May 28, 2020 but was extended to June 18, 2020 to provide interested contractors additional time to develop bids.

On June 18, 2020 the RTC received only one bid in the amount of $297,190 from Graniterock Company. The engineers estimate prepared by the design engineer, Bowman & Williams, was $158,891 with the unit prices developed based on recent bid prices for comparable items. The bid prices may have been higher than typical unit prices for recent construction projects due to challenges associated with closing the freeway to install a platform, and working over live traffic, but other factors may also have contributed to the high bid.

Staff has since re-evaluated the bid package to develop a plan to re-package the project in a manner that may result in more favorable bids. Re-packaging and re-advertising the project will require an encroachment permit rider from Caltrans if the repair differs from the original bid package, which will require a 4 week review by Caltrans according to their encroachment permit office.

Both of the RTC-owned railroad bridges over Highway 1 in Aptos are proposed to be replaced as part of the Highway 1 Auxiliary Lanes and Bus on Shoulder project between the State Park Drive and Freedom Boulevard interchanges, which is currently in the environmental phase. Staff anticipates construction of this bridge replacement will occur in 5 to 10 years and will depend on the availability of funds for construction. For this reason, staff recommends considering a repair that is temporary or interim in nature (10-year lifespan) to potentially reduce the cost of the repair, since the entire bridge is anticipated to be replaced in 5 to 10 years.

The revised storm damage repair for Site 7 will require the removal of the damaged chain link fence and construction a temporary chain link fence that meets the horizontal clearance requirements of the railroad, and height requirements of Caltrans. RTC will need to amend the contract with its professional engineering consultant, Bowman and Williams, Inc. to prepare a new bid package.

Depending on the engineer’s estimate of this repair, it may be possible to advertise this project through the RTC’s informal bidding process, if all FEMA and CalOES requirements can be met by the procurement process. Staff has consulted with CalOES to determine if construction by informal bidding meets the procurement requirements of the disaster relief funds. If not allowed, a formal bid process will be used via RTC’s electronic bidding platform, BidExpress.

FISCAL IMPACT

In order to update the construction documents, the professional engineering services agreement with Bowman & Williams, Inc. will need to be amended to add
the scope of work and increase compensation, which staff plans to do under the Executive Director's signature authority later this month. The order of magnitude of this additional cost is estimated to be $10,000. Staff anticipates that the re-packaging and re-advertisement approach will result in more favorable construction bids and an overall cost savings. RTC plans to request reimbursement from CalOES/FEMA for all work associated with Storm Damage Site 7.

SUMMARY

Staff provided an update on the status of the storm damage repair site 7 which includes updates to the construction documents, obtaining a permit rider, and re-advertising the project for construction bids.
THIS PAGE INTENTIONALLY LEFT BLANK
TO: Regional Transportation Commission
FROM: Sarah Christensen, P.E.
RE: Adopt Plans, Specifications, and Estimate for Sites 3, 4, 5, and 6 of the 2017 Storm Damage Repairs along the Santa Cruz Branch Rail Corridor

RECOMMENDATIONS

Staff recommends that the Regional Transportation Commission (RTC) adopt the Plans, Specifications, and Engineers Estimate for Sites 3, 4, 5, and 6 of the 2017 Storm Damage Repairs.

BACKGROUND

In 2017 historic rain and flooding resulted in fallen trees, landslides, erosion, and other damages along the Santa Cruz Branch Rail Line (SCBRL). In February of 2017, the Federal Emergency Management Agency (FEMA) announced that federal disaster assistance had been made available for emergency repair of facilities damaged by the severe 2017 winter storms to eligible local government agencies across California. The RTC submitted a Request for Public Assistance for storm damage repair work along the SCBRL, which was approved by FEMA.

Between November 2017 and January 2018, RTC and FEMA Public Assistance Program staff inspected the damages incurred along the SCBRL. FEMA then issued the Damage Description and Dimensions (DDD) and Scope of Work (SOW) for seven (7) storm damage repair distinct sites (Site). RTC staff awarded contracts to professional engineering consultants to prepare the construction documents for repairs of all sites.

Phase 1 of the storm damage repairs include sites 1, 2, 4, and 7. Sites 1 and 2 are under construction and are anticipated to be completed this year weather permitting. Site 7 was advertised and one bid was received. The bid was rejected, and RTC plans on re-advertising the project later this year. The construction documents for site 4 are complete. Phase 2 of the storm damage repairs include sites 3, 5, and 6. The construction documents are complete. The environmental permits for storm damage repair site 5 are pending.

DISCUSSION

Staff recommends the Commission adopt the plans, specifications, and engineers estimate for the remaining storm damage repair sites, including site 3, 4, 5, and 6.
For each site, the title page and layout from the plans are included as Attachment 2. The full plans, specifications and engineer’s estimate can be downloaded by following this link: https://sccrtc.org/wp-content/uploads/2020/07/PS%26E Storm Damage SITES 3456 Adoption.zip. Below is a description of each storm damage repair site.

**Storm Damage Repair Site 3**
Storm Damage Repair Site 3 is located adjacent to Sumner Avenue in Aptos. The project will repair the damaged slope embankment on the east side of the rail line which occurred as a result of the 2017 storms. Adjacent to the damage there is an existing 2 foot wide by 1 foot tall wood box cross culvert that requires replacement due to poor drainage through the right of way, which contributed to the failure of the embankment. The engineers estimate for Site 3 is $400,000 which includes a 10% contingency. Upon adoption of the plans, specifications, and estimate by the Commission, the project will be advertised and bids will be opened, and analyzed. Staff will bring a recommendation for award at a future meeting.

**Storm Damage Repair Site 4**
Storm Damage Repair Site 4 is located near Estates Drive in Aptos. The project will repair a damaged slope embankment and erosion that occurred as a result of the 2017 storms. The engineers estimate for Site 4 is $384,400 which includes a 15% contingency. Upon adoption of the plans, specifications, and estimate by the Commission, the project will be advertised and bids will be opened and analyzed. Staff will bring a recommendation for award at a future meeting.

**Storm Damage Repair Site 5**
Storm Damage Repair Site 5 is located near Wilder Ranch State Park north of Santa Cruz. The project will repair the damaged slope embankment on the east side of the rail line which occurred resulting from the 2017 storms. Adjacent to the damage, there is a 30-inch reinforced concrete culvert which consistently clogs with sediment and vegetative debris resulting in poor drainage through the right of way which contributed to the failure of the embankment. The engineers estimate for Site 5 is $265,425 which includes a 15% contingency.

The scope of this project includes repair of the slope embankment and clearing of the cross culvert to reestablish the drainage pattern through the right of way. The environmental permits are pending for this site. Staff anticipated receiving the final permits in 30 to 60 days. Upon adoption of the plans, specifications, and estimate, by the Commission, and upon receiving the final permits, the project will be advertised and bids will be opened and analyzed. Staff will bring a recommendation for award at a future meeting.

**Storm Damage Repair Site 6**
Storm Damage Site 6 is located north of Santa Cruz near Three Mile Beach. The project will repair the damaged slope embankment and regrade the existing ditches north and south of an existing cross culvert which eroded due to the 2017 storms. Rock slope protection and erosion control measures will be added to prevent future erosion from occurring. The engineers estimate for Site 6 is $1,382,010 which
includes a 15% contingency. Right-of-way coordination with California State Parks will be required. Upon adoption of the plans, specifications, and estimate, by the Commission, the project will be advertised and bids will be opened and analyzed. Staff will bring a recommendation for award at a future meeting.

The RTC Procurement Policy requires that the Commission adopt the plans, specifications, and details for construction projects with a value greater than $200,000. **Staff recommends the Commission adopt a resolution (Attachment 1) adopting the Plans, Specifications, and Engineers Estimate (PS&E) for Storm Damage Repair Sites 3, 4, 5, and 6.** Following adoption of the construction documents and pending final permits, staff will advertise the projects inviting construction bids.

**FISCAL IMPACT**

There are no new fiscal impacts associated with the Commission adopting the construction documents.

**SUMMARY**

Staff recommends the Commission adopt the Plans, Specifications, and Estimate (PS&E) for the Storm Damage Sites 3, 4, 5, and 6 along the Santa Cruz Branch Rail Corridor. Adoption of the construction documents is required per the RTC procurement policy for projects with a value greater than $200,000. Following adoption of the PS&E staff plans to advertise the project for construction bids and return to the Commission at a future meeting to award the construction contracts.

**Attachments:**
1. Resolution adopting the Plans, Specifications, and Engineer’s Estimate
2. Storm Damage Repair Sites 3, 4, 5, and 6 Draft Plans
RESOLUTION NO.

Adopted by the Santa Cruz County Regional Transportation Commission
on the date of August 6, 2020
on the motion of Commissioner
duly seconded by Commissioner

A RESOLUTION ADOPTING THE PLANS, SPECIFICATIONS, AND ESTIMATE FOR SITES 3, 4, 5 AND 6 OF THE 2017 STORM DAMAGE REPAIRS ALONG THE SANTA CRUZ BRANCH RAIL LINE

WHEREAS, the Santa Cruz County Regional Transportation Commission (RTC) purchased the Santa Cruz Branch Rail Line (SCBRL) in October 2012;

WHEREAS, in early 2017, the SCBRL was damaged due to historic rainstorms that hit Santa Cruz County and other parts of the state;

WHEREAS, the heavy rainstorms of 2017 were declared state and national disasters and the RTC submitted a Request for Public Assistance to the Federal Emergency Management Agency (FEMA), which was approved;

WHEREAS, in late 2017, FEMA inspected the storm damage incurred along the SCBRL and issued the Damage Description and Dimensions and Scope of Work for seven (7) distinct storm damage repair sites;

WHEREAS, RTC procured professional engineering and environmental permitting consultants to produce plans, specifications, and cost estimates and apply for permits for the permanent storm damage repairs and to help ensure that FEMA, the California Governor’s Office of Emergency Services (CalOES), and Regulatory Agencies requirements are met; and

WHEREAS; adoption of the plans, specifications, and details by the Commission is required for projects with a value greater than $200,000 per the RTC procurement policy;

THEREFORE, BE IT RESOLVED BY THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION THAT:

1. The Commission hereby adopts the plans, specifications, and estimate for Sites 3, 4, 5 and 6 of the 2017 Storm Damage Repairs along the Santa Cruz Branch Rail Corridor.

AYES: COMMISSIONERS

NOES: COMMISSIONERS

ABSTAIN: COMMISSIONERS
ATTACHMENT 1

Bruce McPherson, Chair

ATTEST:

______________________________
Guy Preston, Secretary

Distribution: RTC Project Manager

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Know what's below before you dig.

Call R...

LEGEND

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BENCH EXCAVATION PLAN

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</tr>
</tbody>
</table>

RSP FINISHED GRADE PLAN

Typical Section

Graphical Scale

[Diagram with various labels, lines, and annotations for detailed engineering information]
<table>
<thead>
<tr>
<th>MONTH</th>
<th>FY19 - 20 ACTUAL REVENUE</th>
<th>FY20 - 21 ESTIMATE REVENUE</th>
<th>FY20 - 21 ACTUAL REVENUE</th>
<th>DIFFERENCE AS % OF ACTUAL TO PROJECTION</th>
<th>CUMULATIVE % OF ACTUAL TO PROJECTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>JULY</td>
<td>1,060,892</td>
<td>928,210</td>
<td>1,016,646</td>
<td>9.53%</td>
<td>109.53%</td>
</tr>
<tr>
<td>AUGUST</td>
<td>645,861</td>
<td>565,086</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>SEPTEMBER</td>
<td>905,653</td>
<td>792,386</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>OCTOBER</td>
<td>1,069,443</td>
<td>935,692</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>NOVEMBER</td>
<td>711,628</td>
<td>622,628</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>DECEMBER</td>
<td>853,153</td>
<td>746,453</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>JANUARY</td>
<td>897,534</td>
<td>785,283</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>FEBRUARY</td>
<td>1,026,294</td>
<td>897,939</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>MARCH</td>
<td>734,870</td>
<td>642,963</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>APRIL</td>
<td>686,821</td>
<td>600,923</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>MAY</td>
<td>407,395</td>
<td>356,444</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>JUNE</td>
<td>739,394</td>
<td>646,921</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL</td>
<td>9,738,939</td>
<td>8,520,928</td>
<td>1,016,646</td>
<td>1.04%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Note:

\RTCSERV2\Internal\FISCAL\TDA\MonthlyReceipts\FY2021\[FY2021 TDA Receipts.xlsx]FY2021
### Administration & Implementation - 729100/75381

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
<th>Gross</th>
<th>Total</th>
<th>Adj. Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration - Salaries &amp; Benefits</td>
<td>1%</td>
<td>21,645.70</td>
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<td>21,645.70</td>
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<tr>
<td>O/H Admin</td>
<td></td>
<td>19,914.05</td>
<td>19,914.05</td>
<td>19,914.05</td>
</tr>
<tr>
<td>Salaries &amp; O/H Implement &amp; Oversight</td>
<td></td>
<td>9,855.87</td>
<td>9,855.87</td>
<td>9,855.87</td>
</tr>
<tr>
<td>Services &amp; Supplies</td>
<td></td>
<td>15,000.00</td>
<td>15,000.00</td>
<td>15,000.00</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td>66,415.62</td>
<td>66,415.62</td>
<td>66,415.62</td>
</tr>
</tbody>
</table>

**TO DISTRIBUTE TO INVESTMENT CATEGORIES**

1. **Neighborhood - 729200/75382**

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
<th>Gross</th>
<th>Total</th>
<th>Adj. Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SLV SR9</td>
<td>30%</td>
<td>629,446.39</td>
<td>629,446.39</td>
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<tr>
<td>HWY 17 Wildlife</td>
<td></td>
<td>27,777.78</td>
<td>27,777.78</td>
<td>27,777.78</td>
</tr>
<tr>
<td>Fixed $</td>
<td></td>
<td>13,888.89</td>
<td>13,888.89</td>
<td>13,888.89</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td>41,666.67</td>
<td>41,666.67</td>
<td>41,666.67</td>
</tr>
<tr>
<td>City of Capitola - V100207</td>
<td>5.5425%</td>
<td>32,577.78</td>
<td>32,577.78</td>
<td>-</td>
</tr>
<tr>
<td>City of Santa Cruz - V110467</td>
<td>22.7605%</td>
<td>133,781.77</td>
<td>133,781.77</td>
<td>-</td>
</tr>
<tr>
<td>City of Scotts Valley - V102713</td>
<td>4.6529%</td>
<td>27,349.05</td>
<td>27,349.05</td>
<td>-</td>
</tr>
<tr>
<td>City of Watsonville - V1728</td>
<td>15.2981%</td>
<td>89,919.14</td>
<td>89,919.14</td>
<td>-</td>
</tr>
<tr>
<td>County of Santa Cruz</td>
<td>51.7459%</td>
<td>304,151.98</td>
<td>304,151.98</td>
<td>-</td>
</tr>
<tr>
<td><strong>100%</strong></td>
<td></td>
<td>587,779.73</td>
<td>587,779.73</td>
<td>-</td>
</tr>
</tbody>
</table>

2. **HWY Corridors - 729300/75383**

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
<th>Gross</th>
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<tbody>
<tr>
<td>Fixed $</td>
<td>25%</td>
<td>524,538.66</td>
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3. **Transit/Paratransit - 729400/75384**

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
<th>Gross</th>
<th>Total</th>
<th>Adj. Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Santa Cruz Metro (SCMTD) 16%</td>
<td>20%</td>
<td>419,630.93</td>
<td>419,630.93</td>
<td>-</td>
</tr>
<tr>
<td>Community Bridges - V127587 - 4%</td>
<td>80%</td>
<td>335,704.74</td>
<td>335,704.74</td>
<td>-</td>
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<tr>
<td>Fixed $</td>
<td>20%</td>
<td>83,926.19</td>
<td>83,926.19</td>
<td>-</td>
</tr>
</tbody>
</table>

4. **Active Transportation - 729500/75385**

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
<th>Gross</th>
<th>Total</th>
<th>Adj. Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed $</td>
<td>17%</td>
<td>356,686.29</td>
<td>356,686.29</td>
<td>-</td>
</tr>
</tbody>
</table>

5. **Rail Corridor - 729600/75386**

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
<th>Gross</th>
<th>Total</th>
<th>Adj. Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed $</td>
<td>8%</td>
<td>167,852.37</td>
<td>167,852.37</td>
<td>-</td>
</tr>
</tbody>
</table>

**DISTRIBUTED TO INVESTMENT CATEGORIES**

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
<th>Gross</th>
<th>Total</th>
<th>Adj. Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>100%</strong></td>
<td></td>
<td>2,098,154.64</td>
<td>2,098,154.64</td>
<td>-</td>
</tr>
</tbody>
</table>

**TOTAL ADMIN & IMPLEMENTATION AND INVESTMENT CATEGORIES**

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
<th>Gross</th>
<th>Total</th>
<th>Adj. Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed $</td>
<td></td>
<td>2,164,570.26</td>
<td>2,164,570.26</td>
<td>-</td>
</tr>
</tbody>
</table>
RECOMMENDATIONS

Staff recommends that the Regional Transportation Commission (RTC) accept the attached SCCRTC FY 2018-19 audited financial statements.

BACKGROUND

The Commission is required by state law to undergo an annual financial audit. Moss, Levy & Hartzheim, performed the FY 2018-2019 fiscal audit for the Commission; the same firm performed the audits of Transportation Development Act (TDA) funds of the County of Santa Cruz and the City of Santa Cruz pass-through claims on behalf of Community Bridges and the Volunteer Center. The Santa Cruz Metropolitan Transit District was audited by Brown Armstrong, CPAs. The audit is not required for these claimants who did not receive and/or spend TDA funds during the reporting period – Cities of Capitola, Santa Cruz for own bicycle project, Scotts Valley and Watsonville.

DISCUSSION

The Commission received a clean opinion from the Auditor and no major concerns were raised which would require changes to the SCCRTC internal controls and accounting practices. The audit reports of the SCMTD are also unqualified. The reports are public documents and are available at the Commission’s office and on the website (www.sccrtc.org). Federal expenditures did not meet the $750,000 threshold; therefore, there is no Single Audit for FY 2018-19. Also, the Auditor did not issue a Management Letter.

The significant highlights for FY 2018-19 include:

2. The TDA revenues once again broke a new record high at $10,147,019 compared to FY2017-2018 at $9,599,732. This represents an increase in growth rate from 5.5% in FY 2017-2018 to 5.7% in FY 2018-2019 for a total of $547,287 more in revenues.

3. The RTC has a $1,644,652 Unrestricted Net Position deficit (Pages 10 and 16), due to continuing rise of unfunded pension and Other Post Employment Benefits (OPEB) – insurance benefits (Page 42). The Fund Statements, which are not on full accrual basis, show RTC in strong financial condition with a combined fund balance of $3,662,411. The RTC pension plan is discussed in more detail in Note 7 starting on page 42 while the OPEB discussion is covered in Note 9 beginning on page 46.

4. The Fiduciary Funds continue to carry a high cash balance due to unclaimed TDA and RSTPX allocations (Pages 13 and 28). The cash balances are $14,165,789 and $11,072,642 respectively in FY 2018/19 and FY 2017/18. These funds can only be used for intended purposes and cannot be spent for other RTC needs.

5. The following projects, which are discussed in detail starting on Page 7, commenced or continued in FY 2018/19:

a) Unified Corridors
b) User Oriented Transit Travel Project
c) Sustainable Transportation Prioritization Plan (Visualization)
d) SR9 San Lorenzo Valley Complete Streets Corridor Transportation Plan.

The Management Discussion & Analysis Section of the SCCRTC audit report contains extensive financial highlights with comparison to the prior fiscal year.

**SUMMARY**

The FY 2018-19 Commission’s audit has been completed and is ready for review. Staff recommends that the Commission accept the audit report.

**Attachment:**

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FINANCIAL SECTION
INDEPENDENT AUDITORS’ REPORT

Santa Cruz County Regional Transportation Commission
Santa Cruz, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Santa Cruz County Regional Transportation Commission (the Commission) as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Commission’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Santa Cruz County Regional Transportation Commission, as of June 30, 2019, and the respective changes in financial position thereof, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.
Emphasis of Matter

As discussed in Note 11 to the basic financial statements in March 2020, the World Health Organization has declared COVID 19 to constitute a “Public Health Emergency of International Concern.” Given the uncertainty of the situation, the duration of any financial impact cannot be reasonably estimated at this time. Our opinion is not modified to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 3 through 15, the budgetary information on pages 51 through 58, the schedule of changes in the OPEB liability and related ratios on page 59, the schedule of OPEB contributions on page 60, the schedule of proportionate share of net pension liability on page 61, and the schedule of pension contributions on page 62, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, of the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission’s basic financial statements. The schedules of allocations and expenditures are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedules of allocations and expenditures are the responsibility of management and was derived from and is related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information section is fairly stated in all material respects in relating to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 24, 2020, on our consideration of the Santa Cruz County Regional Transportation Commission’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Commission’s internal control over financial reporting and compliance.

Moss, Rey & Glaughrin, LLP

Santa Maria, California
June 24, 2020
1. INTRODUCTION

The Santa Cruz County Regional Transportation Commission (RTC) was established in 1972 under the provisions of the California Transportation Development Act (TDA) of 1971. In 2001, Section 67941 was added to the Government Code giving the RTC the power of eminent domain and the power to preserve, acquire, construct, improve, and oversee multimodal transportation projects and services on rail rights-of-way within Santa Cruz County. The RTC is also the designated administrator and taxing authority for the Measure D ½-cent sales tax, which was approved by over two-thirds of the Santa Cruz County voters in November 2016.

The RTC is governed by a Board of Directors composed of 12 members and one ex-officio member. The Board sets policies related to transportation projects and programs throughout the county, delivers regional projects, and, for FY 2018-19, oversaw 19 full and part-time employees representing 18 full-time equivalent positions.

2. MAJOR PROGRAMS

The RTC sets priorities and secures funding for capital improvements to transportation infrastructure, including highways, local roads, public transportation, rail, bicycle and pedestrian facilities; pursues and allocates funds for all elements of transportation; adopts policies to improve the regional transportation system; plans future projects and programs; and provides services to encourage the use of alternative and sustainable transportation modes, improve the safety and operation of the transportation system; and reduce vehicle emissions.

The RTC is the state-designated Regional Transportation Planning Agency (RTPA) for Santa Cruz County. As the RTPA for Santa Cruz County, the RTC is responsible for distributing Transportation Development Act funds raised through a 1/4-cent state sales tax, as well as selecting projects and programs to receive the county’s formula shares of State Transit Assistance (STA), State Transportation Improvement Program (STIP), Surface Transportation Block Grant Program (STBG), Low Carbon Transit Operations Program (LCTOP) and certain Senate Bill 1 Local Partnership Program (LPP) funds. As the RTPA, the RTC is also responsible for developing both the state-mandated Regional Transportation Plan (RTP) and Regional Transportation Improvement Program (RTIP).

The RTP is the long range transportation planning document which identifies the region’s goals, needs and potential funding sources over a 20+ year period. The RTP is updated every 4-5 years. An update was adopted in June 2018. The RTP includes sustainability targets and an evaluation of the transportation plan’s ability to meet the targets. Project and funding information in the RTP is consistent with the California Transportation Commission’s (CTC) RTP Guidelines and the SB 375-mandated Sustainable Communities Strategy prepared by the region’s MPO, AMBAG. As certain state and federal funding becomes available, the RTC selects specific transportation projects to receive those funds and lists those selected projects in the RTIP, which covers a 5-year period.
The RTC contributed and/or secured funds for local agencies for the following projects which were under construction or were implemented in FY 2018/19; the dollar amounts reflect the RTC’s contribution to the total project costs:

- Lift Line Electric Vehicle Paratransit Van and Infrastructure: $292,605 LCTOP
- 38th Avenue Reconstruction, Capitola: $438,000 RSTPX
- Mt. Hermon Rd/Scotts Valley Dr/Whispering Pines Dr Intersection Modifications, Scotts Valley: $346,000 RSTPX
- Glen Canyon Rd/Green Hills Rd/S. Navarra Dr Bike Corridor and Roadway Preservation, Scotts Valley: $707,000 STIP, $106,000 RSTPX
- Kings Village Road Sidewalks, Scotts Valley: $271,000 RSTPX
- Airport Blvd Improvements from Freedom Blvd to city limits, Watsonville: $850,000 STIP
- Airport Blvd Improvements from Westgate Dr/Larkin Valley Rd to Hanger Way, Watsonville: $1,195,000 STIP and $177,000 RSTPX
- Green Valley Road Reconstruction from Struve Slough to Freedom Boulevard, Watsonville, $795,000 STIP and $306,000 RSTPX
- Aptos Village Improvements, County of Santa Cruz: $1,927,000 RSTPX
- County of Santa Cruz 2018 Full Depth Recycle and Overlay Project, multiple locations in County of Santa Cruz: $1,500,000 RSTPX
- Everyday is Bike to Work Day pilot program, Ecology Action: $50,000 RSTPX
- Countywide Bike Route Signage: $147,000 RSTPX
- CNG Bus Replacements, METRO: $500,000 RSTPX
- Electric Buses, METRO: $870,000 STIP
- Open Streets in Santa Cruz and Watsonville: $40,000 RSTPX

Highway 1 Projects

In FY 2018/19, the RTC continued delivery of regionally significant projects on Highway 1 using Measure D, federal and state funds. A combined Tier I/II Environmental Document was completed in December 2018 which included both a programmatic-level analysis for the long-term vision of the Highway 1 corridor and a project-level analysis of auxiliary lanes in both directions between the Soquel Avenue/Drive and 41st Avenue interchanges and a bicycle and pedestrian overcrossing at Chanticleer Avenue.

In May 2018 the RTC awarded a contract to a professional engineering consultant to prepare the plans, specifications, and estimate (PS&E) package for the Tier II Auxiliary Lanes project which includes the bicycle and pedestrian overcrossing at Chanticleer Avenue. Measure D funds were used to accelerate the delivery of this project by advancing the PS&E phase concurrent with the environmental phase. The project’s final design and right of way phases are underway and is on schedule for Ready to List (RTL) milestone at the end of the 2020 calendar year.

In partnership with the Santa Cruz Metropolitan Transit District (METRO), the RTC completed the Bus on Shoulder State Route 1 Auxiliary Lane Bus-on Shoulder Concept of Operations report on May 23, 2019. The operations are based on a hybrid facility utilizing the proposed auxiliary lanes between intersections and transit-only shoulder lanes between the auxiliary lanes at each intersection, which was defined in the Feasibility Study completed in June 2018. The 7.5 mile Bus on Shoulder facility will be integrated into the auxiliary lanes projects under development along Highway 1.
RTC issued an RFP to procure a contract to prepare an Environmental Assessment / Environmental Impact Report (EA/EIR) for the auxiliary lanes and bus on shoulder project between the Bay Avenue/Porter Street and State Park Drive interchanges.

**Rail Corridor**

The Regional Transportation Commission (RTC) acquired the 31-mile Santa Cruz Branch Rail Line right-of-way in 2012. In FY 2015/16, the RTC completed reconstruction of the La Selva Beach trestle and rehabilitation of three other railroad bridges. In December 2015, the RTC completed a feasibility study of passenger rail service in the corridor.

In early 2017 the State of California, including Santa Cruz County, experienced historic rain and flooding which caused damage to the Santa Cruz Branch Rail Line. The heavy rain and storm runoff caused fallen trees, landslides, and erosion within the railroad right of way. In February of 2017, the Federal Emergency Management Agency (FEMA) announced that federal disaster assistance had been made available for emergency repair of facilities damaged by the severe winter storms to eligible local government agencies across California. A Request for Public Assistance was submitted by the RTC for storm damage repair work along the rail line, which was approved. Subsequently, inspections of the rail line with RTC and FEMA Public Assistance Program staff occurred in December 2017-January 2018 and RTC staff awarded a contract to an engineering consultant to prepare the construction documents for the repairs in March of 2018.

RTC staff is managing the consultant efforts and obtaining permits for the 7 storm damage repair projects and one debris removal project. Two of the storm damage sites located adjacent to Harkins Slough near mileposts 5.0 to 5.1 put the Santa Cruz Branch Rail Corridor out of service for most of its length. The repair work includes construction of a double box culvert, each box being 4 feet in height and 6 feet in width, with wingwalls, grading and drainage improvements to reestablish the drainage pattern. In order to construct the repair, the RTC must obtain a permit from the US Army Corps of Engineers (USACE), Regional Water Quality Control Board (RWQCB), California Fish and Wildlife Services, and Coastal Commission. The project will also need to go through formal Section 7 consultation with the US Fish and Wildlife Services to obtain a biological opinion.

The RTC procured on-call professional engineering services for civil, structural and construction management services. Task orders include bridge inspections and load ratings, preparing construction documents for the Laurel/Chestnut grade crossing repair, and storm damage repair projects.

A preventative maintenance program for the Santa Cruz Branch Rail corridor was developed by RTC staff and implemented in March of 2018. The maintenance program includes a process for responding to maintenance reports from the community or local jurisdictions, and guidelines for regular maintenance inspections for preventative maintenance efforts. RTC staff procured on-call maintenance contractors for light civil/grading, vegetation control, encampment clean up, no trespassing signing installation, and graffiti abatement.
Monterey Bay Sanctuary Scenic Trail Network (and Coastal Rail Trail)

Implementation of segments of the Monterey Bay Sanctuary Scenic Trail (MBSST) Network, a multi-use bicycle and pedestrian pathway spanning the Santa Cruz coastline from the San Mateo County line to the Monterey County line, continued during FY 2018/19. The MBSST Network will see the 32-mile rail right-of-way as the system’s spine within the shared use rail corridor. Initiation of projects began following adoption of the award-winning Master Plan, a document that serves as the guiding blueprint for the project’s implementation.

The RTC continued working with Central Federal Lands (CFL) to implement a 7.5-mile north coast rail trail project (Segment 5) for which a Federal Lands Access Grant had been awarded, with matching funds provided by the Land Trust of Santa Cruz County, the California Coastal Conservancy, and the RTC. RTC certified the Final EIR for the North Coast Rail Trail project in March 2019. CFL continued with final design work for the 7.5-mile long section of trail.

In the City of Santa Cruz, the 2.1 mile trail project from Natural Bridges Drive to the Wharf roundabout continued to advance with final design being the focal point of the work in FY2018/19. Initial bids for the project came in higher than available funds and the design was refined during FY2018/19.

The City of Watsonville continued advancing the design of a 1.2 mile trail project from Lee Road to Walker Street (Segment 18).

The City of Capitola started implementation of a small project connecting the City parking lot to the intersection of Monterey and Park Avenues along the rail corridor.

The City of Santa Cruz completed the construction of multi-use path cantilevered from the existing San Lorenzo River railroad bridge to serve bicyclists and pedestrians.

RTC used Measure D funds to each of these project segments. Additional Measure D funds were programed to future projects for Segments 8-9 and 10-12 as part of the Measure D Five-Year Program of Projects approved in May 2019.

RTC continued collaborations with the Land Trust of Santa Cruz County, Bike Santa Cruz County and Friends of the Rail and Trail who are raising private funds and building community stewardship of the rail trail project. A Rail Trail Work Group continued meeting so that partners working on various aspects of trail implementation, funding or advocacy could gather at one table, share resources and team up on project delivery efforts.
SAFE and FSP

The Service Authority for Freeway Emergencies (SAFE) annual budget provides funds for a number of programs including the Safe on 17 Program to maintain a reduced collision rate on Highway 17 by providing the resources for additional CHP enforcement officers. The funding is provided by the RTC SAFE ($50,000) and the Metropolitan Transportation Commission (MTC) SAFE ($50,000) programs. In FY 2018/19, RTC SAFE allocated an additional $50,000 annually for extra enforcement using Measure D Highway funds.

The SAFE program provides call boxes on Highways 1, 9, 17, 152, and 129 throughout the county and connects stranded motorists with assistance. Nearly 600 calls were placed from 60 call boxes in the county in FY 2018/19. Cruz511, a 511 traveler information project (described in more detail in the next section), is also funded in part through the SAFE budget.

The RTC, serving as the SAFE agency in Santa Cruz County, operates the Freeway Service Patrol (FSP) program. The FSP program consists of roving tow trucks looking for disabled vehicles or debris on designated highway segments. The FSP provides on-the-spot help to stranded motorists. The purpose of the FSP is to decrease traveler delay associated with non-recurrent congestion, improve safety, air quality, and reduce fuel consumption by rapidly clearing incidents. The FSP provided approximately 1,458 assists in FY 2018/19. The current benefit-cost ratio is 5.0.

Cruz511 and Alternatives to Driving Alone

Since 1979, the RTC has provided the community with a centralized resource for transportation information. Cruz511 is the umbrella brand under which all RTC traveler information services take place including those previously delivered through Commute Solutions. While the programs’ offerings have evolved over the years in response to changing needs and opportunities, the mainstay has been to provide tools, information and encouragement to commuters about options for travel other than driving alone. These alternatives include carpooling, vanpooling, bicycling, walking, taking public transit and telecommuting. The program also assists employers, schools, and other organizations in developing travel programs for their employees and constituents. In FY 2018/19, Cruz511 and the City of Santa Cruz partnered together to pilot MyCruz511, a web-based commuter management and rewards platform using RideAmigos enterprise technology. A full countywide launch for MyCruz511 will take place in 2020.

Unified Corridors

The objective of the Unified Corridor Investment Study (UCS) was to identify multimodal transportation investments that provide the greatest benefit and most effective use of Highway 1, Soquel Avenue/Drive and Freedom Blvd, and the Santa Cruz Branch Rail Line. An analysis of how different scenarios or groups of transportation projects implemented by 2035 will advance the goals of the project was completed and a preferred scenario approved by the RTC in January 2019, following extensive public outreach. Goals for the UCS focus on developing a sustainable transportation system which seeks to maximize benefits in terms of the natural environment, economic vitality and health and equity. Input from the public, stakeholders, and RTC advisory committees was solicited at key milestones of project development. Workshops for the public in north and south county, focus group meetings for community organizations, and a stakeholder
meeting for partner agencies were held to solicit input on the Phase 2 analysis. On-line surveys to solicit input from a broader spectrum of the public were also used to gather input on projects that would advance goals of the transportation system.

**SR9 San Lorenzo Valley (SLV) Complete Streets Corridor Transportation Plan**

The RTC completed work on the Highway 9/San Lorenzo Valley (SLV) Complete Streets Corridor Plan in FY2018/19. Priorities identified in the plan improve safety for pedestrians, bicyclists and motorists; improve access to schools, businesses, residences, and transit; and improve traffic operations throughout this travel corridor.

The primary purpose of the Highway 9/San Lorenzo Valley Complete Streets Corridor Plan was to create an actionable short-term and longer-term multimodal complete streets corridor plan that addresses transportation challenges for all modes of transportation along the Highway 9 corridor through the San Lorenzo Valley (generally Felton to Boulder Creek) and within the town centers.

Work included preparation of the draft plan, published in February 2019, as well as extensive public outreach to Caltrans and other partner agencies, schools, and focus groups on priorities for the corridor, as well as the general public through a survey, a series of open house events, and a public hearing. Consultants and RTC staff considered the input received and prepared a final plan, which was adopted by the RTC board following a public hearing in June 2019.

### 3. FINANCIAL STATEMENTS

The Basic Financial Statements consist of RTC Wide Financial Statements (Governmental activities only), Funds Financial Statements (Governmental and Fiduciary funds); and Notes to Financial Statements.

**A. RTC Wide Financial Statements**

The RTC-wide statements (Statement of Net Position and the Statement of Activities) are on full accrual basis of accounting; and consistent with the Government Accounting Standards Board (GASB) Statement 34, the fixed assets are capitalized, depreciated, and reported net of accumulated depreciation on the Statement of Net Position (balance sheet). In addition, the expenses are recognized for accrued vacation and sick leaves (compensated absences) and the related outstanding balance is reflected in the liability section. In accordance with GASB 75, the RTC Wide Financial Statements include the expenses and liabilities associated with Other Post Employment Benefits (OPEB) as discussed in Note 9 of the report. The RTC adheres to GASB 68 which requires the measurement and reporting of the pension liability; and pension is discussed in detail in Note 7 starting on page 42. The impact of GASB 75 and GASB 68 is the ever increasing Noncurrent (long-term) liability and decreasing Net Position.
B. Funds Financial Statements

The RTC had fifteen funds in FY2019. There are eight governmental funds (pages 18 – 25) and seven fiduciary funds (pages 28 – 31).

The RTC uses the following fund balance classifications, which are in line with GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions:

1. Nonspendable Fund Balance
2. Restricted Fund Balance
3. Committed Fund Balance
4. Assigned Fund Balance
5. Unassigned Fund Balance (for the General Fund only)

Not all fund categories may be present in any one reporting year, and the current financial statements have just three: 1) Nonspendable, 2) Restricted, and 3) Unassigned

4. FINANCIAL HIGHLIGHTS

FY 2018/19 is another year of major accomplishment, which included programming over $20 million in new local transportation funding thanks to Measure D, completion of the 41st Avenue-Soquel Drive Auxiliary Lanes and Tier 1 Highway 1 corridor environmental document, completion of the Unified Corridor Investment Study, and completion of the Highway 9/SLV Complete Streets Corridor Plan.

The implementation of Government Accounting Standards Board Statement 75 (GASB 75), Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions and GASB 68 Accounting and Financial Reporting for Pensions continue to have significant negative impact on Net Position of Government wide financial statements. The fund statements, however, show governmental funds in strong financial position.

Governmental Activities

Net Position
The Net Position is up $635,039 to $20,233,625 from $19,598,586 in FY2018. While there are adequate current assets to finance current liabilities, Noncurrent Liability Balance of $4,138,866 cannot be fully covered. The ability to meet these long term obligations depends mostly on the benefit plans offered and/or the funding strategies. The RTC’s Side funds (retirement liability inherited from the separation from the County) has been paid in full; and the RTC has been making additional payment above normal costs and the minimum required payment for the Unfunded Actuarial Liability. The table below shows how the Noncurrent liabilities – OPEB ($2,206,013), Compensated Absences ($278,003), and Net Pension Liability ($1,654,850), are depressing the Net Position when capital assets are excluded:
## UNRESTRICTED NET POSITION DEFICIT ANALYSIS

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets (Cash &amp; Receivables) *</td>
<td>6,959,115</td>
<td>4,816,664</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted Fund Balance**</td>
<td>(2,014,397)</td>
<td>(1,976,053)</td>
</tr>
<tr>
<td>Current Liabilities (Net of D/T Other Funds)*</td>
<td>(3,339,179)</td>
<td>(1,714,192)</td>
</tr>
<tr>
<td>Unassigned Fund Balance**</td>
<td>1,605,539</td>
<td>1,126,419</td>
</tr>
<tr>
<td>Less Noncurrent Liabilities***</td>
<td>(4,138,866)</td>
<td>(4,132,474)</td>
</tr>
<tr>
<td>Add:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid*</td>
<td>42,475</td>
<td>0</td>
</tr>
<tr>
<td>Net Deferred Outflows &amp; Inflows***</td>
<td>846,200</td>
<td>760,305</td>
</tr>
<tr>
<td>Unrestricted Net Position</td>
<td><strong>(1,644,652)</strong></td>
<td><strong>(2,245,750)</strong></td>
</tr>
</tbody>
</table>

* Statement of Net Position – page 16 or Governmental Fund Balance- pages 18-19
** Governmental Fund Balance- pages 18-19
*** Statement of Net Position – page 16 or Note 6, Long-term Debt on page 42

### Cash, Receivables, and Payables

Cash and Investment balance shows an increase of $494,303 to $4,145,045 from $3,650,742 (pages 18 – 19) on 6/30/2018. The RTC has adequate resources to meet its current obligations with a 2.0x current ratio. The current liabilities have increased by $1,624,987 mostly due to increased Accounts Payable ($1,986,670) and Unearned Revenue ($765,512).

### Capital Assets

Net capital assets totaled $19,863,880 in FY2019. The non-depreciable assets value remained unchanged from FY2018 at $19,848,411. The depreciable capital assets decreased by $4,403 to $15,469. The decrease is the difference between office equipment acquisition of $1,793 and the depreciation expense of $6,196 (Page 41).

### Other Balance Sheet Highlights

- Due From and Due To Other funds ($271,553 each) consist of $110,000 due to Rail/Trail from Administration and Planning; $50,000 due to SAFE from FSP (Freeway Service Patrol); $50,000 due to Cruz 511 from SAFE; $1,532 due to Administration and Planning from Active Transportation; $2,537 due to Highway from Active Transportation; $5,250 due to Administration and Planning from Rail/Trail; $26,477 due to Administration and Planning from Highway; $560 due to Rail/Trail from Highway; and $25,197 due to Administration and Planning from Freeway Service Patrol (FSP).

- Unearned Revenue increased by $328,367 to $765,512 as a result of RSTPX revenue recognition in the Active Transportation/Monterey Bay Sanctuary Scenic Trail (MBSST) Fund. The Unearned Revenue balance in FY2019 is distributed as follows: $292,605 LCTOP funds in Administration and Planning, $134,117 RSTPX funds in Highway, $70,000 RSTPX funds in Active Transportation/MBSST and $268,790 RSTPX funds in Rail/Trail.
Condensed Balance Sheet of Governmental Funds

<table>
<thead>
<tr>
<th></th>
<th>6/30/2019</th>
<th>6/30/2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>4,145,045</td>
<td>3,650,742</td>
<td>494,303</td>
</tr>
<tr>
<td>Accounts Receivables and Due From</td>
<td>3,085,623</td>
<td>1,332,846</td>
<td>1,752,777</td>
</tr>
<tr>
<td>Prepaid Items</td>
<td>42,475</td>
<td>0</td>
<td>42,475</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>7,273,143</strong></td>
<td><strong>4,983,588</strong></td>
<td><strong>2,289,555</strong></td>
</tr>
<tr>
<td>Accounts Payable and Due To</td>
<td>2,845,220</td>
<td>1,443,971</td>
<td>1,401,249</td>
</tr>
<tr>
<td>Unearned Revenue</td>
<td>765,512</td>
<td>437,145</td>
<td>328,367</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>3,610,732</strong></td>
<td><strong>1,881,116</strong></td>
<td><strong>1,729,616</strong></td>
</tr>
<tr>
<td><strong>Total Fund Balances</strong></td>
<td><strong>3,662,411</strong></td>
<td><strong>3,102,472</strong></td>
<td><strong>559,939</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities and Fund Balances</strong></td>
<td><strong>7,273,143</strong></td>
<td><strong>4,983,588</strong></td>
<td><strong>2,289,555</strong></td>
</tr>
</tbody>
</table>

Revenues

The combined governmental funds revenues are up $2,490,149 to $8,070,464. The table below is a year to year revenue comparison:

Revenues Comparison

<table>
<thead>
<tr>
<th></th>
<th>6/30/2019</th>
<th>6/30/2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>RSTPX</td>
<td>572,471</td>
<td>1,215,063</td>
<td>(642,592)</td>
</tr>
<tr>
<td>Local transportation Fund (TDA)</td>
<td>1,490,063</td>
<td>1,336,964</td>
<td>153,099</td>
</tr>
<tr>
<td>Measure D</td>
<td>3,728,090</td>
<td>1,367,251</td>
<td>2,360,839</td>
</tr>
<tr>
<td>FTA Section 5304</td>
<td>71,154</td>
<td>286,021</td>
<td>(214,867)</td>
</tr>
<tr>
<td>RPA (Admin &amp; Planning)</td>
<td>424,392</td>
<td>233,848</td>
<td>190,544</td>
</tr>
<tr>
<td>Motor Vehicle Fees</td>
<td>260,839</td>
<td>256,424</td>
<td>4,415</td>
</tr>
<tr>
<td>Active Transportation Program</td>
<td>101,358</td>
<td>42,000</td>
<td>59,358</td>
</tr>
<tr>
<td>STIP</td>
<td>622,322</td>
<td>203,628</td>
<td>418,694</td>
</tr>
<tr>
<td>RSTP</td>
<td>0</td>
<td>77,851</td>
<td>(77,851)</td>
</tr>
<tr>
<td>Caltrans Grant (FSP)</td>
<td>185,600</td>
<td>166,187</td>
<td>19,413</td>
</tr>
<tr>
<td>Land Trust</td>
<td>381,766</td>
<td>175,394</td>
<td>206,372</td>
</tr>
<tr>
<td>Interest, Lease &amp; Other</td>
<td>232,409</td>
<td>219,684</td>
<td>12,725</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,070,464</strong></td>
<td><strong>5,580,315</strong></td>
<td><strong>2,490,149</strong></td>
</tr>
</tbody>
</table>

- FY2019 is the second full year receiving Measure D funds for Administration and Implementation which show the highest growth with $2,360,839.

- There are three major funding sources with the State at 24% and Measure D 46% of all revenues. The local revenues ($2,253,421) comprise 28% of revenues and consist of TDA funds ($1,490,063); Motor Vehicle fees ($260,839); Land Trust ($381,766); Lease by Rail/Trail ($70,753); and MTC Safe for Safe on 17 ($50,000).
The funding sources comparative table and the graph (Figure 1) are presented below:

### Table
**FY2019 Funding by Source**

<table>
<thead>
<tr>
<th>Source</th>
<th>FY2019</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local</td>
<td>5,981,511 (74%)</td>
<td>3,274,635 (59%)</td>
</tr>
<tr>
<td>State</td>
<td>1,951,533 (24%)</td>
<td>1,860,726 (33%)</td>
</tr>
<tr>
<td>Federal</td>
<td>71,154 (1%)</td>
<td>363,871 (7%)</td>
</tr>
<tr>
<td>Interest &amp; Others</td>
<td>66,266 (1%)</td>
<td>81,083 (1%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,070,464 (100%)</strong></td>
<td><strong>5,580,315 (100%)</strong></td>
</tr>
</tbody>
</table>

### Figure 1

FY2019 Funding by Source

**Expenditures**

- The expenditures are up $1,935,734 to $7,555,344; and major expenditures were for payroll ($3,229,663); Unified Corridor Investment ($275,724); Towing in FSP ($313,211); and consultants in various funds.

- Payroll costs ($3,229,663) are up 33% due to an additional $182,554 payment toward the pension Unfunded Actuarial Liability; pay out of uncompensated absences for employee retirements, organizational changes in positions reclassified, addition of one full time position, and collective bargaining agreements; and they are $80,689 (2.4%) below budget ($3,310,352).

- Overall, costs are in line and in accordance with the budget.
Fiduciary Funds
- With the passage of ½-cent sales tax Measure D in November 2016, there are now 7 fiduciary funds.

- The combined cash balance remains high and is up $8,652,994 (39.5%) to $30,566,411 from a year ago due to unclaimed allocations; revenue growth; the unspent FY2019 Measure D proceeds ($19,123,244); and the undistributed (Unallocated) RSTPX ($4,754,329) and TDA ($805,078) funds. The undistributed RSTPX funds balance of $4,754,329 includes $3,363,122 received for FY 2019.

The unclaimed allocations by funding sources and claimants are presented below:

<table>
<thead>
<tr>
<th>UNCLAIMED TDA AND STP EXCHANGE ALLOCATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2019 ENDING 6/30/2019</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>County of Santa Cruz    3,460,196</td>
</tr>
<tr>
<td>City of Capitola         1,016,345</td>
</tr>
<tr>
<td>City of Santa Cruz      923,501</td>
</tr>
<tr>
<td>City of Scotts Valley   340,633</td>
</tr>
<tr>
<td>City of Watsonville    1,528,475</td>
</tr>
<tr>
<td>Santa Cruz Metro (SCMTD) 500,000</td>
</tr>
<tr>
<td>Volunteer Center            2,495</td>
</tr>
<tr>
<td>UCSC                        700,000</td>
</tr>
<tr>
<td>SCCRTC                      230,000</td>
</tr>
<tr>
<td>Unallocated              5,464,144</td>
</tr>
<tr>
<td>TOTAL CASH                14,165,789 2,610,723</td>
</tr>
</tbody>
</table>

- The Net Position increased by $7,545,631 (26%) to $36,390,265 due to Measure D revenues ($22,180,875) which are offset by expenses and disbursements to claimants of $14,398,752 (pages 32-33). The STA ($4,253,929) and STPX ($3,363,122) revenues show growth of 33% and 5% respectively.

- The audit report shows an increase in TDA of $458,058 (4.7%) to $10,275,031 from $9,816,973 in FY2018. The TDA revenues set another new high record in FY2019 when comparing just July to June receipts. The TDA performance in the last ten years is shown on the following table and graph.
The TDA cash receipts performance over the last ten years

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Actual Receipts</th>
<th>(Change)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2009</td>
<td>7,200,133</td>
<td>(678,500) (8.6%)</td>
</tr>
<tr>
<td>FY2010</td>
<td>6,631,837</td>
<td>(568,296) (7.9%)</td>
</tr>
<tr>
<td>FY2011</td>
<td>6,956,059</td>
<td>324,222  4.9%</td>
</tr>
<tr>
<td>FY2012</td>
<td>7,407,427</td>
<td>451,368  6.5%</td>
</tr>
<tr>
<td>FY2013</td>
<td>7,796,002</td>
<td>388,575  5.2%</td>
</tr>
<tr>
<td>FY2014</td>
<td>8,287,590</td>
<td>491,588  6.3%</td>
</tr>
<tr>
<td>FY2015</td>
<td>8,549,340</td>
<td>261,750  3.2%</td>
</tr>
<tr>
<td>FY2016</td>
<td>8,970,056</td>
<td>420,716  4.9%</td>
</tr>
<tr>
<td>FY2017</td>
<td>9,101,315</td>
<td>131,259  1.5%</td>
</tr>
<tr>
<td>FY2018</td>
<td>9,599,732</td>
<td>498,417  5.5%</td>
</tr>
<tr>
<td>FY2019</td>
<td>10,147,018</td>
<td>547,286  5.7%</td>
</tr>
</tbody>
</table>

Figure 2
TDA Annual Revenues and Changes – Last Ten (10) Years
FY2009 – FY2018
($ in 000)

The graph is based on actual monthly receipts during the fiscal year, which goes from July to June, therefore these receipts may not agree to the audited TDA revenues, which include July and August receipts of the following fiscal year.
The SCMTD receives 85.5% of all TDA allocated funds after the RTC share; and all of the STA funds with the exception of $100,000 apportioned to Community Bridges Lift Line. The expenditure levels in the fiduciary funds are dependent on revenue fluctuations, the allocations, and the claims for disbursement. FY2017 shows the lowest TDA growth as a rate and as well as in dollar value since FY2011.

5. CURRENT FINANCIAL ISSUES AND CONCERNS

Management has been able to control the discretionary expenses; however, continuing to secure new revenue sources to meet existing and increasing transportation needs was again a priority in FY2018/19. In November 2016, Santa Cruz County voters approved Measure D, a comprehensive transportation sales tax measure which will help address some of the backlog of local road, highway, and transit shortfalls, as well as fund priority transportation projects. The California legislature’s approval of Senate Bill 1 in April 2017 provides further stability to transportation funding. This does not provide sufficient funds for all of the identified transportation needs so the RTC will continue to work with agencies throughout the county and state to increase transportation funding and use existing funds efficiently.

Funding RTC core functions continues to be a challenge since the elimination of federal Planning (PL) funding in FY2016 and the severe reduction in other state and federal grant dollars. The 2018 Regional Transportation Plan identified a funding gap of over $3.4 billion for transportation needs countywide through the year 2040, even with the Measure D ½ cent sales tax and SB1 revenues.

Major projects currently under development for which existing funding is insufficient to fully fund include the Highway 1 Corridor Investment program, the Monterey Bay Sanctuary Scenic Trail (MBBST) Network project, and rail projects. The RTC has identified smaller projects within the Highway 1 corridor which could be constructed incrementally as funds become available, including new auxiliary lanes and bicycle/pedestrian overcrossings. Throughout FY18/19, the RTC continues to implement the voter-approved investment plan for the Measure D sales tax measure. Measure D is estimated to raise approximately $20 million per year over 30 years. The expenditure plan included in Measure D includes Neighborhood Projects such as local streets and roads, safety, bicycle and pedestrian, and school safety projects; Community Projects such as transit and paratransit projects; and Regional Projects such as Highways, Rail Trail and other transportation improvements on the rail corridor.

With the RTC purchase of the Santa Cruz Branch Rail Line and designation of a shortline operator, freight service continues and recreational passenger rail service has been implemented. Unfortunately, the 2017 winter storms caused significant damage to portions of the rail line right-of-way. The RTC is working with the Federal Emergency Management Agency (FEMA) to obtain funds for the needed repairs and working to secure the necessary permits to implement those repairs. The RTC will also need to work to ensure that the revenue generated by the freight service, the recreational rail service, and other leased uses of the real estate will help meet the costs for continued maintenance and operation of the rail line. Measure D provides some funding for this need but it is still necessary to work to maximize the revenues that can be derived from the property. Longer term uses of the rail corridor, for other types of passenger transit services will require capital and operation funding from other sources.
SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
STATEMENT OF NET POSITION
June 30, 2019

ASSETS
Cash and investments $ 4,145,045
Receivables 2,814,070
Prepaid items 42,475
Capital assets:
    Nondepreciable 19,848,411
    Depreciable, net 15,469
Total assets 26,865,470

DEFERRED OUTFLOWS OF RESOURCES
Pensions 930,990
OPEB 114,507
Total deferred outflows of resources 1,045,497

LIABILITIES
Accounts payable 1,986,670
Accrued expenses 89,741
Due to other agencies 497,256
Unearned revenue 765,512
Noncurrent liabilities
    Compensated absences 278,003
    OPEB liability 2,206,013
    Net pension liability 1,654,850
Total liabilities 7,478,045

DEFERRED INFLOWS OF RESOURCES
Pensions 109,975
OPEB 89,322
Total deferred inflows of resources 199,297

NET POSITION
Net investment in capital assets 19,863,880
Restricted for programs 2,014,397
Unrestricted (1,644,652)
Total net position $ 20,233,625

The accompanying notes are an integral part of this statement.
Governmental activities:

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Program Revenues</th>
<th>Net (Expense)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Charges for Services</td>
<td>Operating Contributions and Grants</td>
</tr>
<tr>
<td>Transportation</td>
<td>$ 7,480,244</td>
<td>$ 7,933,445</td>
</tr>
<tr>
<td>Total</td>
<td>$ 7,480,244</td>
<td>$ 7,933,445</td>
</tr>
</tbody>
</table>

General Revenues

- **Investment income**: $126,218
- **Other**: $10,801

**Total general revenues**: $137,019

**Change in net position**: $590,220

**Net position - beginning of fiscal year**: $19,598,586

**Prior period adjustment**: $44,819

**Net position - beginning of fiscal year - restated**: $19,643,405

**Net position - end of fiscal year**: $20,233,625

The accompanying notes are an integral part of this statement.
SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2019

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Administration and Planning Fund</th>
<th>Rail/Trail Authority Fund</th>
<th>Service Authority for Freeway Emergencies Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments</td>
<td>$ 1,279,699</td>
<td>$ 949,358</td>
<td>$ 446,323</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>35,860</td>
<td>273,853</td>
<td>72,000</td>
</tr>
<tr>
<td>Due from other agencies</td>
<td>902,081</td>
<td>95,376</td>
<td>95,376</td>
</tr>
<tr>
<td>Due from fiduciary</td>
<td>265,348</td>
<td>69,913</td>
<td>25,000</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>58,456</td>
<td>110,560</td>
<td>50,000</td>
</tr>
<tr>
<td>Prepaid items</td>
<td>7,940</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$ 2,549,384</td>
<td>$ 1,403,684</td>
<td>$ 688,699</td>
</tr>
</tbody>
</table>

| LIABILITIES AND FUND BALANCES | |
|-------------------------------|-------------------|-------------------|-------------------|
| Liabilities: | | | |
| Accounts payable | $ 186,695 | $ 704,576 | $ 4,339 |
| Accrued payroll | 89,741 | | |
| Unearned revenue | 292,605 | 268,790 | |
| Due to other agencies | 256,864 | 10,875 | 125,336 |
| Due to other funds | 110,000 | 5,250 | 50,000 |
| **Total liabilities** | $ 935,905 | $ 989,491 | $ 179,675 |

| Fund Balances: | | | |
| Nonspendable: | | | |
| Prepaid items | 7,940 | | |
| Restricted: | | | |
| Transportation planning | | 414,193 | 509,024 |
| Unassigned | 1,605,539 | | |
| **Total fund balances** | 1,613,479 | 414,193 | 509,024 |
| **Total liabilities and fund balances** | $ 2,549,384 | $ 1,403,684 | $ 688,699 |

The accompanying notes are an integral part of this statement.
<table>
<thead>
<tr>
<th>Freeway Service Patrol Fund</th>
<th>Highway 1 Program Fund</th>
<th>Highway 1 Auxiliary Fund</th>
<th>Cruz 511 Fund</th>
<th>Active Transportation Fund</th>
<th>MBSST Fund</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 16,507</td>
<td>$ 523,550</td>
<td>$ 366,195</td>
<td>$ 348,347</td>
<td>$ 215,066</td>
<td>$ 4,145,045</td>
<td>$ 404,713</td>
</tr>
<tr>
<td>257,387</td>
<td>352,752</td>
<td>130,796</td>
<td>165,928</td>
<td>144,776</td>
<td>1,773,524</td>
<td>635,833</td>
</tr>
<tr>
<td>2,537</td>
<td>50,000</td>
<td>34,535</td>
<td></td>
<td></td>
<td></td>
<td>271,553</td>
</tr>
<tr>
<td>$ 273,894</td>
<td>$ 549,087</td>
<td>$ 849,743</td>
<td>$ 432,882</td>
<td>$ 525,770</td>
<td>$ 7,273,143</td>
<td></td>
</tr>
<tr>
<td>$ 30,469</td>
<td>$ 370,577</td>
<td>$ 207,603</td>
<td>$ 178,961</td>
<td>$ 303,450</td>
<td>$ 1,986,670</td>
<td>$ 89,741</td>
</tr>
<tr>
<td>134,117</td>
<td>563</td>
<td>1,500</td>
<td></td>
<td></td>
<td>765,512</td>
<td></td>
</tr>
<tr>
<td>25,191</td>
<td>563</td>
<td>1,500</td>
<td></td>
<td></td>
<td>497,256</td>
<td></td>
</tr>
<tr>
<td>75,197</td>
<td>26,477</td>
<td>560</td>
<td></td>
<td></td>
<td>271,553</td>
<td></td>
</tr>
<tr>
<td>$ 130,857</td>
<td>$ 531,734</td>
<td>$ 208,163</td>
<td>$ 180,461</td>
<td>$ 454,446</td>
<td>$ 3,610,732</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 34,535</td>
<td>$ 42,475</td>
</tr>
<tr>
<td>143,037</td>
<td>17,353</td>
<td>641,580</td>
<td>217,886</td>
<td>71,324</td>
<td>2,014,397</td>
<td>1,605,539</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>143,037</td>
<td>17,353</td>
<td>641,580</td>
<td>252,421</td>
<td>71,324</td>
<td>3,662,411</td>
<td></td>
</tr>
<tr>
<td>$ 273,894</td>
<td>$ 549,087</td>
<td>$ 849,743</td>
<td>$ 432,882</td>
<td>$ 525,770</td>
<td>$ 7,273,143</td>
<td></td>
</tr>
</tbody>
</table>

19

14-24
Amounts reported for governmental activities in the statement of net position are different because:

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.

\[
\begin{align*}
\text{Capital assets at historical cost} & \quad $20,026,251 \\
\text{Accumulated depreciation} & \quad (162,371) \\
\hline
\text{Net} & \quad 19,863,880
\end{align*}
\]

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

\[
\begin{align*}
\text{Compensated absences} & \quad $278,003 \\
\text{OPEB liability} & \quad 2,206,013 \\
\text{Net pension liability} & \quad 1,654,850 \\
\hline
\text{Total} & \quad (4,138,866)
\end{align*}
\]

Deferred outflows and inflows of resources: In governmental funds, deferred outflows and inflows of resources are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources are reported.

\[
\begin{align*}
\text{Deferred inflows of resources relating to pensions} & \quad (109,975) \\
\text{Deferred inflows of resources relating to OPEB} & \quad (89,322) \\
\text{Deferred outflows of resources relating to OPEB} & \quad 114,507 \\
\text{Deferred outflows of resources relating to pensions} & \quad 930,990 \\
\hline
\text{Total} & \quad 846,200
\end{align*}
\]

The accompanying notes are an integral part of this statement.
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SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
For the Fiscal Year Ended June 30, 2019

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Administration and Planning Fund</th>
<th>Rail/Trail Authority Fund</th>
<th>Service Authority for Freeway Emergencies Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Transportation Funds</td>
<td>$1,438,584</td>
<td>-</td>
<td>$260,839</td>
</tr>
<tr>
<td>Motor vehicle fees</td>
<td>260,839</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>California Department of Transportation Grant</td>
<td>99,997</td>
<td>95,113</td>
<td>-</td>
</tr>
<tr>
<td>RSTP Exchange Funds</td>
<td>133,660</td>
<td>71,154</td>
<td>-</td>
</tr>
<tr>
<td>State Planning, Programming and Monitoring Funds</td>
<td>424,392</td>
<td>76,555</td>
<td>10,348</td>
</tr>
<tr>
<td>State Rural Planning Assistance</td>
<td>71,154</td>
<td>71,154</td>
<td>-</td>
</tr>
<tr>
<td>Active Transportation Program Aid from other governments</td>
<td>50,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Land Trust</td>
<td>259,826</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Measure D</td>
<td>977,470</td>
<td>943,143</td>
<td>25,000</td>
</tr>
<tr>
<td>Use of money and property</td>
<td>14,819</td>
<td>7,154</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>3,647</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td><strong>3,423,549</strong></td>
<td><strong>1,121,965</strong></td>
<td><strong>346,187</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Administration and Planning Fund</th>
<th>Rail/Trail Authority Fund</th>
<th>Service Authority for Freeway Emergencies Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and benefits</td>
<td>1,744,491</td>
<td>318,804</td>
<td>123,548</td>
</tr>
<tr>
<td>Services and supplies</td>
<td>532,993</td>
<td>834,137</td>
<td>159,178</td>
</tr>
<tr>
<td>Bike to Work</td>
<td>60,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Community Traffic Safety Coalition</td>
<td>130,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Towing service</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unified Corridor Investment</td>
<td>275,724</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Passenger Rail Study</td>
<td>52,277</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Prioritization</td>
<td>28,162</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>SR9 San Lorenzo Valley Complete Streets</td>
<td>45,868</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>1,793</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td><strong>2,871,308</strong></td>
<td><strong>1,152,941</strong></td>
<td><strong>282,726</strong></td>
</tr>
</tbody>
</table>

Excess of revenues over (under) expenditures | 552,241 | (30,976) | 63,461 |

The accompanying notes are an integral part of this statement.
<table>
<thead>
<tr>
<th>Freeway Service Patrol Fund</th>
<th>Highway 1 Program Fund</th>
<th>Highway 1 Auxiliary Lanes Fund</th>
<th>Cruz 511 Fund</th>
<th>Active Transportation Fund</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 51,479</td>
<td>$ 1,490,063</td>
</tr>
<tr>
<td>185,600</td>
<td>328,419</td>
<td></td>
<td></td>
<td></td>
<td>572,471</td>
</tr>
<tr>
<td>135,910</td>
<td>352,752</td>
<td></td>
<td></td>
<td></td>
<td>622,322</td>
</tr>
<tr>
<td></td>
<td>45,390</td>
<td></td>
<td></td>
<td></td>
<td>101,358</td>
</tr>
<tr>
<td>129,413</td>
<td>572,267</td>
<td>41,253</td>
<td>1,039,544</td>
<td>126,218</td>
<td>424,392</td>
</tr>
<tr>
<td>809</td>
<td>5,415</td>
<td>11,191</td>
<td>1,385</td>
<td></td>
<td>81,766</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>451,732</td>
<td>333,834</td>
<td>981,600</td>
<td>46,949</td>
<td>1,364,648</td>
<td>8,070,464</td>
</tr>
<tr>
<td>77,529</td>
<td>120,634</td>
<td>152,059</td>
<td>177,274</td>
<td>515,324</td>
<td>3,229,663</td>
</tr>
<tr>
<td>33,986</td>
<td>216,150</td>
<td>818,031</td>
<td>3,945</td>
<td>820,226</td>
<td>3,418,646</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>130,000</td>
</tr>
<tr>
<td>313,211</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>275,724</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>28,162</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>45,868</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,793</td>
</tr>
<tr>
<td>424,726</td>
<td>336,784</td>
<td>970,090</td>
<td>181,219</td>
<td>1,335,550</td>
<td>7,555,344</td>
</tr>
<tr>
<td>27,006</td>
<td>(2,950)</td>
<td>11,510</td>
<td>(134,270)</td>
<td>29,098</td>
<td>515,120</td>
</tr>
</tbody>
</table>

14-28
SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
For the Fiscal Year Ended June 30, 2019

<table>
<thead>
<tr>
<th>Other Financing Sources (Uses):</th>
<th>Administration and Planning Fund</th>
<th>Rail/Trail Authority Fund</th>
<th>Service Authority for Freeway Emergencies Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating transfers in</td>
<td>$ -</td>
<td>$ 110,000</td>
<td>$ -</td>
</tr>
<tr>
<td>Operating transfers out</td>
<td>(110,000)</td>
<td></td>
<td>(50,000)</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>(110,000)</td>
<td>110,000</td>
<td>(50,000)</td>
</tr>
<tr>
<td>Excess of revenues and other sources over (under)</td>
<td>442,241</td>
<td>79,024</td>
<td>13,461</td>
</tr>
<tr>
<td>expenditures and other uses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund balances - July 1</td>
<td>1,126,419</td>
<td>335,169</td>
<td>495,563</td>
</tr>
<tr>
<td>Prior period adjustment</td>
<td>44,819</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund balances - July 1, restated</td>
<td>1,171,238</td>
<td>335,169</td>
<td>495,563</td>
</tr>
<tr>
<td>Fund balances - June 30</td>
<td>$ 1,613,479</td>
<td>$ 414,193</td>
<td>$ 509,024</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of this statement.
<table>
<thead>
<tr>
<th>Freeway Service Patrol Fund</th>
<th>Highway 1 Program Fund</th>
<th>Highway 1 Auxiliary Fund</th>
<th>Cruz 511 Fund</th>
<th>Active Transportation Fund</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 50,000</td>
<td>$ -</td>
<td>$ 160,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(160,000)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>50,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>27,006</td>
<td>(2,950)</td>
<td>11,510</td>
<td>(84,270)</td>
<td>29,098</td>
<td>515,120</td>
</tr>
<tr>
<td>116,031</td>
<td>20,303</td>
<td>630,070</td>
<td>336,691</td>
<td>42,226</td>
<td>3,102,472</td>
</tr>
<tr>
<td>116,031</td>
<td>20,303</td>
<td>630,070</td>
<td>336,691</td>
<td>42,226</td>
<td>3,147,291</td>
</tr>
<tr>
<td>$ 143,037</td>
<td>$ 17,353</td>
<td>$ 641,580</td>
<td>$ 252,421</td>
<td>$ 71,324</td>
<td>$ 3,662,411</td>
</tr>
</tbody>
</table>

14-30
Net Change in Fund Balances - Governmental Funds $ 515,120

Amounts reported for governmental activities in the statement of activities are different because:

Capital assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which additions to capital assets of $1,793 was less than depreciation expense of $6,196 in the period. (4,403)

In the statement of activities, compensated absences are measured by the amounts earned during the fiscal year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This fiscal year, vacation used exceeded the amounts earned by $22,746.

In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was: 180,601

In governmental funds, OPEB costs are recognized when employer contributions are made. In the statement of activities, OPEB costs are recognized on the accrual basis. This fiscal year, the difference between accrual basis OPEB costs and actual employer contributions was: (123,844)

Change in Net Position - Governmental Activities $ 590,220
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ASSETS

Cash and investments  $3,247,421  $4,267  $8,178,241
Accounts receivable  1,706,753  1,242,627
Due from other agencies  3,363,122
Total assets  4,954,174  1,246,894  12,036,350

LIABILITIES

Accounts payable  281,284
Due to SCCRTC  51,479  1,242,627  200,000
Due to other agencies
Total liabilities  51,479  1,242,627  481,284

NET POSITION

Held in trust for other governments  $4,902,695  $4,267  $11,555,066

The accompanying notes are an integral part of this statement.
## Pension (and Other Employee Benefits) Trust Funds

<table>
<thead>
<tr>
<th>Measure D Fund</th>
<th>PERS Health Fund</th>
<th>In Lieu of Social Security Fund</th>
<th>Miscellaneous Deductions Fund</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>$19,123,244</td>
<td>$941</td>
<td>$4</td>
<td>$12,293</td>
<td>$30,566,411</td>
</tr>
<tr>
<td>3,687,637</td>
<td></td>
<td></td>
<td></td>
<td>2,201,740</td>
</tr>
<tr>
<td>22,810,881</td>
<td>941</td>
<td>4</td>
<td>12,293</td>
<td>41,061,537</td>
</tr>
</tbody>
</table>

| 2,258,803      |                  |                               | 1,246                         | 2,541,333     |
| 635,833        |                  |                               |                               | 635,833       |
| 1,494,106      |                  |                               |                               |               |
| 2,894,636      |                  |                               | 1,246                         | 4,671,272     |

| $19,916,245    | $941             | $4                            | $11,047                       | $36,390,265   |

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14-34
SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year Ended June 30, 2019

Additions:
Sales tax $ 10,275,031 $ 4,253,929 $ -
State highway exchange funds 3,363,122
Contributions from SCCRTC
SB1 Additional Gas Tax 670,679
Interest 69,464 2,743 197,062
Total additions 10,344,495 4,927,351 3,560,184

Deductions:
Claimants:
Santa Cruz Metropolitan Transit District 7,288,209 4,924,608
Santa Cruz County Regional Transportation Commission 1,490,063 744,052
City of Capitola 32,000
City of Santa Cruz 377,000
County of Santa Cruz 415,359 1,700,101
City of Watsonville
Community Bridges 716,035
Volunteer Center 82,747
Salaries and benefits
Services and supplies
Consultant services
Plan payments
Total deductions 10,024,413 4,924,608 2,917,693
Change in net position 320,082 2,743 642,491
Net position - beginning of fiscal year 4,582,613 1,524 10,912,575
Prior period adjustment
Net position - beginning of fiscal year adjusted 4,582,613 1,524 10,912,575
Net position - end of fiscal year $ 4,902,695 $ 4,267 $ 11,555,066

The accompanying notes are an integral part of this statement.

14-35
### Pension (and Other Employee Benefits) Trust Funds

<table>
<thead>
<tr>
<th>Measure D Fund</th>
<th>PERS Health Fund</th>
<th>In Lieu of Social Security Fund</th>
<th>Miscellaneous Deductions Fund</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 22,180,875</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 36,709,835</td>
</tr>
<tr>
<td></td>
<td>25,075</td>
<td>26,803</td>
<td>51,878</td>
<td>670,679</td>
</tr>
<tr>
<td>320,836</td>
<td>22</td>
<td>-</td>
<td>738</td>
<td>590,865</td>
</tr>
<tr>
<td>22,501,711</td>
<td>25,097</td>
<td>-</td>
<td>27,541</td>
<td>41,386,379</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>12,212,817</td>
</tr>
<tr>
<td>1,926,169</td>
<td></td>
<td></td>
<td></td>
<td>4,160,284</td>
</tr>
<tr>
<td>332,722</td>
<td></td>
<td></td>
<td></td>
<td>429,262</td>
</tr>
<tr>
<td>1,849,081</td>
<td></td>
<td></td>
<td></td>
<td>1,881,081</td>
</tr>
<tr>
<td>288,317</td>
<td></td>
<td></td>
<td></td>
<td>665,317</td>
</tr>
<tr>
<td>3,060,948</td>
<td></td>
<td></td>
<td></td>
<td>5,176,408</td>
</tr>
<tr>
<td>902,300</td>
<td></td>
<td></td>
<td></td>
<td>902,300</td>
</tr>
<tr>
<td>857,751</td>
<td></td>
<td></td>
<td></td>
<td>1,573,786</td>
</tr>
<tr>
<td>3,431,946</td>
<td></td>
<td></td>
<td></td>
<td>3,514,693</td>
</tr>
<tr>
<td>191,753</td>
<td></td>
<td></td>
<td></td>
<td>191,753</td>
</tr>
<tr>
<td>1,552,565</td>
<td></td>
<td></td>
<td></td>
<td>1,552,565</td>
</tr>
<tr>
<td>5,200</td>
<td></td>
<td>30,439</td>
<td>19,433</td>
<td>49,872</td>
</tr>
<tr>
<td>14,398,752</td>
<td>30,439</td>
<td></td>
<td></td>
<td>32,315,338</td>
</tr>
<tr>
<td>8,102,959</td>
<td>(5,342)</td>
<td></td>
<td>8,108</td>
<td>9,071,041</td>
</tr>
<tr>
<td>13,338,696</td>
<td>6,283</td>
<td>4</td>
<td>2,939</td>
<td>28,844,634</td>
</tr>
<tr>
<td>(1,525,410)</td>
<td></td>
<td></td>
<td></td>
<td>(1,525,410)</td>
</tr>
<tr>
<td>11,813,286</td>
<td>6,283</td>
<td>4</td>
<td>2,939</td>
<td>27,319,224</td>
</tr>
<tr>
<td>$ 19,916,245</td>
<td>$ 941</td>
<td>$ 4</td>
<td>$ 11,047</td>
<td>$ 36,390,265</td>
</tr>
</tbody>
</table>

14-36
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Santa Cruz County Regional Transportation Commission are prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Commission’s accounting policies are described below:

A. **The Reporting Entity**

The Santa Cruz County Regional Transportation Commission, the regional transportation planning agency for the County of Santa Cruz, was created pursuant to Title 3 of Government Code Section 29535. The Commission is responsible for transportation planning activities as well as for the administration of the Transportation Development Act Funds (Local Transportation and State Transit Assistance), Sales Tax Measure D, the Service Authority for Freeway Emergencies Fund (SAFE), the Freeway Service Patrol Fund (FSP), the Surface Transportation Program Exchange Fund (STP), Highway 1 Program Fund, and the Rail/Trail Authority Fund. The Commission does not exercise control over any other governmental agency or authority. Criteria used in determining the reportable entity were based on control or dependence determined on the basis of budget adoption, funding, and appointment of the respective governing board.

The reporting entity is the Santa Cruz County Regional Transportation Commission. There are no component units included in this report which meets the criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39, No. 61, and No. 80.

B. **Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Commission. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. **Basis of Presentation**

**Government-wide Financial Statements:**

The government-wide statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Commission’s governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Commission, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Commission.
C. Basis of Presentation (Continued)

Fund Financial Statements:
Fund financial statements report detailed information about the Commission. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all nonmajor funds are aggregated into one column. Fiduciary funds are reported by fund type.

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds presents increases, (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds use the accrual basis of accounting.

Revenues – exchange and non-exchange transactions:
Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Available” means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Commission, “available” means collectible within the current period or within 60 days after fiscal year-end.

Non-exchange transactions, in which the Commission receives value without directly giving equal value in return, include property taxes, and grants. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the Commission must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the Commission on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue:
Unearned revenues arise when assets are received before revenue recognition criteria have been satisfied. Grants received before eligibility requirements are met, are recorded as unearned revenue.

Expenses/expenditures:
On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

When both restricted and unrestricted resources are available for use, it is the Commission’s policy to use restricted resources first then unrestricted resources as they are needed.
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. **Fund Accounting**

The accounts of the Commission are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, revenues, and expenditures/expenses. The Commission’s resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The Commission’s accounts are organized into major and fiduciary funds, as follows:

**Major Governmental Funds:**
- **Administration and Planning** – Transportation planning and administration of the Transportation Development Act.
- **Rail/Trail Authority** – To account for financial activities of the Coastal Rail/Trail Project.
- **Service Authority For Freeway Emergencies** – State funds for administration and operation of freeway call boxes and motorist aid.
- **Freeway Service Patrol** – State funds for roadside assistance.
- **Highway1 Program** – Transportation planning and administration of the Highway 1 Projects.
- **Highway1 Auxiliary** – Transportation planning and administration for an additional lane on Highway 1.
- **Cruz 511** – To account for financial activities of the Cruz 511 program.
- **Active Transportation MBSST** – To account for financial activities of Active Transportation planning.

**Fiduciary Funds:**
These funds account for assets held by the Commission as a trustee or agent for other units of government. The fiduciary funds used by the Commission is as follows:
- **Private Purpose Trust:** These funds are utilized by the Commission, as trustee, to receive and allocate Local Transportation funds, State Transit Assistance funds, Surface Transportation Program Exchange funds, and Measure D funds to eligible claimants.
- **Pension (and other Employee Benefits) Trusts:** These funds are utilized by the Commission, as trustee, to receive employee contributions for employee benefit arrangements. The Commission has a fiduciary responsibility to administer the plans.

F. **Budgets**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the major funds. All annual appropriations lapse at fiscal year end.

G. **Cash and Investments**

The Commission holds its cash in the County of Santa Cruz Treasury. The County maintains a cash and investment pool, and allocates interest to the various funds based upon the average monthly cash balances. Information regarding categorization of investments can be found in the County of Santa Cruz’ Basic Financial Statements. Investments are stated at fair value.

A payroll account is kept at the Santa Cruz County Bank for payment of state and federal taxes, health insurance, and other contributions and deductions.
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets

Capital assets (including infrastructure) are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Contributed capital assets are valued at their estimated fair value at the date of the contribution. Capital assets are defined by the Commission as assets with an initial, individual cost of at least $1,500 and estimated useful life in excess of two years.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the governmental column in the government-wide financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the statement of net position. The estimated useful lives are as follows:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment</td>
<td>3 to 7 years</td>
</tr>
</tbody>
</table>

I. Unearned Revenue

Cash is received for federal and state special projects and programs and recognized as revenue to the extent that qualified expenditures have been incurred. Unearned revenue is recorded to the extent cash received on specific projects and programs exceed qualified expenditures.

J. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

K. Compensated Absences

All vacation pay, as well as sick leave for management, plus related payroll taxes is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

L. Fund Balances

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance – represents amounts that can only be used for a specific purpose because of a formal action by the Commission’s governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance – represents amounts which the Commission intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund’s primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the Commission.

Unassigned Fund Balance – represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Fund Balances (Continued)

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the Commission considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Commission considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

M. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

N. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the American Institute of Certified Public Accountants, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

O. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Santa Cruz County Regional Transportation Commission’s Public Employee’s Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Commission’s plan (OPEB Plan) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Q. Deferred Outflows and Inflows of Resources


In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. The Commission has two items which qualify for reporting in this category; refer to Note 7 and Note 9 for a detailed listing of the deferred outflows of resources the Commission has reported.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the Commission that is applicable to a future reporting period. The Commission has two items which qualify for reporting in this category; refer to Note 7 and 9 for a detailed listing of the deferred inflows of resources the Commission has reported.
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements:

- **Statement No. 84** "Fiduciary Activities"  
The provisions of this statement are effective for fiscal years beginning after December 15, 2019.

- **Statement No. 87** "Leases"  
The provisions of this statement are effective for fiscal years beginning after June 15, 2021.

- **Statement No. 89** "Accounting for Interest Cost Incurred before the End of a Construction Period"  
The provisions of this statement are effective for fiscal years beginning after December 15, 2020.

- **Statement No. 90** "Majority Equity Interests-an Amendment of GASB Statements No. 14 and No. 61"  
The provisions of this statement are effective for fiscal years beginning after December 15, 2019.

- **Statement No. 91** "Conduit Debt Obligations"  
The provisions of this statement are effective for fiscal years beginning after December 15, 2021.

NOTE 2 – CASH AND INVESTMENTS

The Commission maintains all of its cash in the Santa Cruz County Treasurer’s Investment Fund. The County Treasurer pools and invests the funds it oversees. All participants share investment gains or losses proportionately. Earned interest is apportioned monthly based on each participant’s average daily deposit.

Investments are carried at fair value. On June 30, 2019, the Commission had the following cash and investments on hand:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in bank and on hand</td>
<td>$15,139</td>
</tr>
<tr>
<td>Cash and investments with the Santa Cruz County Treasurer's Investment Fund</td>
<td>$34,696,317</td>
</tr>
<tr>
<td><strong>Total cash and investments</strong></td>
<td><strong>$34,711,456</strong></td>
</tr>
</tbody>
</table>

Cash and investments are presented on the accompanying basic financial statements, as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments, statement of net position</td>
<td>$4,145,045</td>
</tr>
<tr>
<td>Cash and investments, statement of fiduciary net position</td>
<td>$30,566,411</td>
</tr>
<tr>
<td><strong>Total cash and investments</strong></td>
<td><strong>$34,711,456</strong></td>
</tr>
</tbody>
</table>

The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. These principles recognize a three-tiered fair value hierarchy. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Commission had investments in the Santa Cruz County Investment Pool, this external pool is measured under Level 2.
Investments Authorized by the Commission’s Investment Policy

The Commission’s investment policy only authorizes investment in the local government investment pool administered by the County of Santa Cruz. The Commission’s investment policy does not contain any specific provisions intended to limit the Commission’s exposure to interest rate risk, credit risk, and concentration of credit risk.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Commission manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flows and liquidity needed for operations.

Information about the sensitivity of the fair values of the Commission’s investments to market interest rate fluctuations is provided by the table on the following page that shows the distribution of the Commission’s investments by maturity:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Carrying Amount</th>
<th>12 Months Or Less</th>
<th>13 - 24 Months</th>
<th>25 - 60 Months</th>
<th>More than 60 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Santa Cruz County Treasurer’s</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Fund</td>
<td>$ 34,696,317</td>
<td>$ 34,696,317</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Total</td>
<td>$ 34,696,317</td>
<td>$ 34,696,317</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. Presented below, is the minimum rating required by the California Government Code and the Commission’s investment policy, and the actual rating as of fiscal year end for each investment type.

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Carrying Amount</th>
<th>Minimum Legal Rating</th>
<th>Exempt from Disclosure</th>
<th>Ratings as of fiscal year end</th>
</tr>
</thead>
<tbody>
<tr>
<td>Santa Cruz County Treasurer’s</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Fund</td>
<td>$ 34,696,317</td>
<td>N/A</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Total</td>
<td>$ 34,696,317</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

Concentration of Credit Risk

The investment policy of the Commission contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of the total Commission’s investments.
NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Commission’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the Commission’s deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

None of the Commission’s deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Commission’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government’s indirect investment in securities through the use of mutual funds or government investment pools (such as Santa Cruz County Treasurer’s Investment Fund).

Investment in Santa Cruz County Treasurer’s Investment Fund

The Commission is a participant in the Santa Cruz Treasurer’s Investment Fund (County Pool) that is regulated by the California Government Code. The fair value of the Commission’s investment in this pool is reported in the accompanying basic financial statements at the amounts based upon the Commission’s pro-rata share of the fair value provided by the County Pool for the entire Santa Cruz County Treasurer’s Investment Fund portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Pool, which are recorded on an amortized cost basis.

NOTE 3 – DUE FROM OTHER AGENCIES

Due from other agencies consists of the following at June 30, 2019:

<table>
<thead>
<tr>
<th>Agency</th>
<th>Administration and Planning Fund</th>
<th>Rail/Authority Fund</th>
<th>Service Authority for Emergencies Fund</th>
<th>Freeway Service Patrol Fund</th>
<th>Highway 1 Program Fund</th>
<th>Highway 1 Auxiliary Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>State grants (DOT)</td>
<td>$629,302</td>
<td>$272,779</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal grants (DOT)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td>$95,376</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td>$902,081</td>
<td></td>
<td>$95,376</td>
<td>$257,387</td>
<td></td>
<td>$352,752</td>
</tr>
</tbody>
</table>
NOTE 3 – DUE FROM OTHER AGENCIES (Continued)

Special Revenue Funds (cont)  Fiduciary Funds

<table>
<thead>
<tr>
<th>Agency</th>
<th>Cruz 511 Fund</th>
<th>Active Transportation MBSST Fund</th>
<th>State Transit Assistance Fund</th>
<th>Surface Transportation Program Fund</th>
<th>Measure D Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>State grants (DOT)</td>
<td>$ -</td>
<td>$ 51,479</td>
<td>$ 1,242,627</td>
<td>$ 3,363,122</td>
<td>$ -</td>
</tr>
<tr>
<td>Other</td>
<td>$ 114,449</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td>$ -</td>
<td>$ 165,928</td>
<td>$ 1,242,627</td>
<td>$ 3,363,122</td>
<td>$ 3,687,637</td>
</tr>
</tbody>
</table>

NOTE 4 – INTERFUND TRANSACTIONS

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefitting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Due From/Due To Other Funds

Interfund receivable and payable balances at June 30, 2019, are as follows:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Interfund Receivables</th>
<th>Interfund Payables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major Funds:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration and Planning</td>
<td>$ 58,456</td>
<td>$ 110,000</td>
</tr>
<tr>
<td>Rail/Trail Authority</td>
<td>110,560</td>
<td>5,250</td>
</tr>
<tr>
<td>Service Authority for Freeway Emergencies</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Freeway Service Patrol</td>
<td>2,537</td>
<td>26,477</td>
</tr>
<tr>
<td>Highway 1 Program</td>
<td>75,197</td>
<td>560</td>
</tr>
<tr>
<td>Highway 1 Auxiliary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cruz 511</td>
<td>50,000</td>
<td></td>
</tr>
<tr>
<td>Active Transportation MBSST</td>
<td></td>
<td>4,069</td>
</tr>
</tbody>
</table>

$ 271,553                        | $ 271,553              |
NOTE 4 – INTERFUND TRANSACTIONS (CONTINUED)

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended.

Interfund transfers for the 2018-2019 fiscal year, are as follows:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Transfers In</th>
<th>Transfers Out</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major Funds:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration and Planning</td>
<td>$ -</td>
<td>$ 110,000</td>
</tr>
<tr>
<td>Rail/Trail Authority</td>
<td>110,000</td>
<td></td>
</tr>
<tr>
<td>Service Authority for Freeway Emergencies</td>
<td>50,000</td>
<td></td>
</tr>
<tr>
<td>Cruz 511</td>
<td>50,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 160,000</td>
<td>$ 160,000</td>
</tr>
</tbody>
</table>

NOTE 5 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2019, was as follows:

Governmental activities

<table>
<thead>
<tr>
<th>Nondepreciable capital assets</th>
<th>Balance July 1, 2018</th>
<th>Increases</th>
<th>Decreases</th>
<th>Balance June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Right of way</td>
<td>$ 14,200,000</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 14,200,000</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>5,648,411</td>
<td></td>
<td></td>
<td>5,648,411</td>
</tr>
<tr>
<td>Total nondepreciable capital assets</td>
<td>$ 19,848,411</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 19,848,411</td>
</tr>
</tbody>
</table>

Depreciable capital assets

| Equipment                      | $ 176,047            | $ 1,793  | $ -       | $ 177,840             |
| Total depreciable capital assets | 176,047             | 1,793    |           | 177,840               |
| Less accumulated depreciation  | (156,175)            | (6,196)  |           | (162,371)             |
| Net depreciable capital assets | $ 19,872            | $ (4,403) | $ -       | $ 15,469              |
| Net capital assets            | $ 19,868,283         | $ (4,403) | $ -       | $ 19,863,880          |
NOTE 6 – LONG-TERM LIABILITIES

Changes in long-term liabilities

Long-term liability activity for the fiscal year ended June 30, 2019, is shown below:

<table>
<thead>
<tr>
<th>Governmental activities</th>
<th>Balance</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balance</th>
<th>Due within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>July 1, 2018</td>
<td>Additions</td>
<td>Deletions</td>
<td>June 30, 2019</td>
<td></td>
</tr>
<tr>
<td>Compensated Absences</td>
<td>$ 300,749</td>
<td>$ 223,251</td>
<td>$ 245,997</td>
<td>$ 278,003</td>
<td>$ -</td>
</tr>
<tr>
<td>OPEB Liability</td>
<td>1,945,332</td>
<td>323,151</td>
<td>62,470</td>
<td>2,206,013</td>
<td></td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>1,886,393</td>
<td>320,961</td>
<td>552,504</td>
<td>1,654,850</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 4,132,474</td>
<td>$ 867,363</td>
<td>$ 860,971</td>
<td>$ 4,138,866</td>
<td>$ -</td>
</tr>
</tbody>
</table>

NOTE 7 – PENSION PLAN

A. General Information about the Pension Plan

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the Commission’s Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Commission resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonduty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect at June 30, 2019, are summarized as follows:

<table>
<thead>
<tr>
<th>Hire Date Prior to January 1, 2013</th>
<th>On or after January 1, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit formula</td>
<td>2.0% @ 55</td>
</tr>
<tr>
<td>Benefit vesting schedule</td>
<td>5 years service</td>
</tr>
<tr>
<td>Benefit payments</td>
<td>monthly for life</td>
</tr>
<tr>
<td>Retirement age</td>
<td>50-63</td>
</tr>
<tr>
<td>Monthly benefits, as a % of eligible compensation</td>
<td>1.4% to 2.4%</td>
</tr>
<tr>
<td>Required employee contribution rates</td>
<td>7.000%</td>
</tr>
<tr>
<td>Required employer contribution rates</td>
<td>9.409%</td>
</tr>
</tbody>
</table>
NOTE 7 – PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Commission is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Contributions to the pension plan from the Commission were $443,077 for the fiscal year ended June 30, 2019.

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2019, the Commission reported a liability of $1,654,850 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The Commission’s proportion of the net pension liability was based on a projection of the Commission’s long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, actuarially determined. At June 30, 2018, the Commission’s proportion was 0.04391%, which decreased by 0.00394% from June 30, 2017.

For the year ended June 30, 2019, the Commission recognized pension expense of $262,476. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2019, the Commission reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

<table>
<thead>
<tr>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension contributions subsequent to measurement date</td>
<td>$443,077</td>
</tr>
<tr>
<td>Differences between expected and actual experience</td>
<td>63,494</td>
</tr>
<tr>
<td>Changes in assumptions</td>
<td>188,658</td>
</tr>
<tr>
<td>Net difference between projected and actual earnings on retirement plan investments</td>
<td>8,181</td>
</tr>
<tr>
<td>Adjustment due to differences in proportions</td>
<td>14,491</td>
</tr>
<tr>
<td>Difference in actual contributions and proportionate share of contributions</td>
<td>213,089</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$930,990</strong></td>
</tr>
</tbody>
</table>

$443,077 reported as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expenses as follows:
NOTE 7 – PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

<table>
<thead>
<tr>
<th>Fiscal Year Ending June 30</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$241,272</td>
</tr>
<tr>
<td>2021</td>
<td>155,704</td>
</tr>
<tr>
<td>2022</td>
<td>(4,153)</td>
</tr>
<tr>
<td>2023</td>
<td>(14,885)</td>
</tr>
<tr>
<td></td>
<td>$377,938</td>
</tr>
</tbody>
</table>

Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions:

<table>
<thead>
<tr>
<th>Miscellaneous</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation Date</td>
</tr>
<tr>
<td>Measurement Date</td>
</tr>
<tr>
<td>Actuarial Cost Method</td>
</tr>
</tbody>
</table>

Actuarial Assumptions:
- Discount Rate: 7.15%
- Inflation: 2.50%
- Salary Increases: Varies by Entry Age and Service
- Investment Rate of Return: 7.0% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
- Mortality Rate Table (1): Derived using CalPERS’ Membership Data for all Funds
- Post Retirement Benefit Increase: Contract COLA up to 2.50% until Floor on Purchasing Power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS’ specific data. The table includes 15 years of mortality improvements using 90% Scale MP 2016 published by the Society of Actuaries. For more details on this table please refer to the 2017 experience study report.

Change in Assumptions

In December 2017, the CalPERS Board adopted new mortality assumptions for plans participating in the Public Employees’ Retirement Fund (PERF). The mortality table was developed from the December 2017 experience study and includes 15 years of projected ongoing mortality improvement using 90 percent scale MP 2016 published by the Society of Actuaries. The inflation assumption was reduced from 2.75 percent to 2.50 percent. The assumptions for individual salary increases and overall payroll growth were reduced from 3.00 percent to 2.75 percent.
NOTE 7 – PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for public agency plans (including PERF C), CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund including PERF C. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS’ website under the GASB No. 68 section.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2022. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB No. 67 and No. 68 calculations through at least the 2021-22 fiscal year. CalPERS will continue to check the materiality of the difference in calculation.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds’ asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits were calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>New Strategic Allocation</th>
<th>Real Return Years 1-10(a)</th>
<th>Real Return Years 11+(b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Equity</td>
<td>50.0%</td>
<td>4.80%</td>
<td>5.98%</td>
</tr>
<tr>
<td>Global Fixed Income</td>
<td>28.0%</td>
<td>1.00%</td>
<td>2.62%</td>
</tr>
<tr>
<td>Inflation Sensitive</td>
<td>0.0%</td>
<td>0.77%</td>
<td>1.81%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>8.0%</td>
<td>6.30%</td>
<td>7.23%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>13.0%</td>
<td>3.75%</td>
<td>4.93%</td>
</tr>
<tr>
<td>Liquidity</td>
<td>1.0%</td>
<td>0.00%</td>
<td>-0.92%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>0.00%</strong></td>
<td><strong>-0.92%</strong></td>
</tr>
</tbody>
</table>

(a) An expected inflation of 2.00% used for this period.
(b) An expected inflation of 2.92% used for this period.
NOTE 7 – PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following represents the Commission’s proportionate share of the net pension liability calculated using the discount rate of 7.15 percent, as well as what the Commission’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.15 percent) or 1-percentage point higher (8.15 percent) than the current rate:

<table>
<thead>
<tr>
<th>Discount Rate</th>
<th>1% Decrease</th>
<th>1% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6.15%</td>
<td>7.15%</td>
</tr>
<tr>
<td>District's proportionate share of the net pension plan liability</td>
<td>$2,879,320</td>
<td>$1,654,850</td>
</tr>
</tbody>
</table>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

C. Payable to the Pension Plan

At June 30, 2019, the Commission had no amount outstanding for contributions to the pension plan required for the fiscal year ended June 30, 2019.

NOTE 8 – NET POSITION

GASB Statement No. 63, requires that the difference between assets added to the deferred outflows of resources and liabilities be added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

The government-wide and fiduciary funds financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents net position of the Commission, not restricted for any project or other purpose.

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description

Plan administration – Integrated medical/prescription drug coverage is provided through CalPERS under the Public Employees’ Medical and Hospital Care Act (PEMHCA). Employees may choose from a variety of HMO and PPO options. The Commission offers the same health plans to its retirees as its active employees, with the exception that once a retiree becomes eligible for Medicare, he or she must join a Medicare HMO or a Medicare Supplement plan under PEMHCA. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.
NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Benefits provided – Employees and executive directors become eligible to retire and receive monthly contributions from the Commission upon attainment of age 50 and 5 years of covered PERS service, or by qualifying disability retirement status. Benefits are paid for the lifetime of the retiree, and if applicable, the surviving spouse of the retiree if coverage is in effect at the time of the retiree’s death. The Commission’s retiree contribution is based on the CalPERS PEMHCA unequal method. The active caps are 95% of the Blue Shield Bay Area premium for single and 90% for dual and family. Currently, the retiree single cap is equal to the active single cap. The retiree dual and family caps are not equal to the corresponding active caps and are projected to remain unequal, with the annual increase in the cap set to a maximum of $100.

Employees Covered

As of the July 1, 2017, actuarial valuation, the following current and former employees were covered by the benefit terms under the Commission’s Plan:

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active plan members</td>
<td>14</td>
</tr>
<tr>
<td>Inactive employees or beneficiaries currently receiving benefits</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>21</strong></td>
</tr>
</tbody>
</table>

The Commission currently finances benefits on a pay-as-you-go basis.

Net OPEB Liability

The Commission’s Net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the Net OPEB liability was determined by an actuarial valuation dated July 1, 2017, Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial assumptions. The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

<table>
<thead>
<tr>
<th>Assumption</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary increases</td>
<td>3.00%</td>
</tr>
<tr>
<td>Medical cost trend rate</td>
<td>5.90%</td>
</tr>
</tbody>
</table>

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Actuarial assumptions used in the July 1, 2017 valuation were based on a review of plan experience during the period July 1, 2015 to June 30, 2017.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. To achieve the goal set by the investment policy, plan assets will be managed to earn, on a long-term basis, a rate of return equal to or in excess of the target rate of return of 3.13 percent.

Change in assumptions. For the June 30, 2019 measurement date, the discount rate was decreased from 3.62 percent to 3.13 percent. The medical cost trend rate decreased from 6.00 percent to 5.90 percent.
NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Net OPEB Liability (Continued)

Discount rate. GASB 75 requires a discount rate that reflects the following:

a) The long-term expected rate of return on OPEB plan investments — to the extent that the OPEB plan's fiduciary net position (if any) is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;

b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher — to the extent that the conditions in (a) are not met.

To determine a resulting single (blended) rate, the amount of the plan's projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the District’s total OPEB liability is based on these requirements and the following information:

<table>
<thead>
<tr>
<th>Reporting Date</th>
<th>Measurement Date</th>
<th>Long Term Expected Return of Plan Investments</th>
<th>Municipal 20 Year High Grade Rate Index</th>
<th>Discount Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2018</td>
<td>June 30, 2018</td>
<td>4.00%</td>
<td>3.62%</td>
<td>3.62%</td>
</tr>
<tr>
<td>June 30, 2019</td>
<td>June 30, 2019</td>
<td>4.00%</td>
<td>3.13%</td>
<td>3.13%</td>
</tr>
</tbody>
</table>

Changes in the OPEB Liability

<table>
<thead>
<tr>
<th></th>
<th>Total OPEB Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at June 30, 2018 (Valuation Date June 30, 2017)</td>
<td>$ 1,945,332</td>
</tr>
<tr>
<td>Changes recognized for the measurement period:</td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>113,898</td>
</tr>
<tr>
<td>Interest</td>
<td>69,300</td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td>139,953</td>
</tr>
<tr>
<td>Contributions - employer</td>
<td></td>
</tr>
<tr>
<td>Net investment income</td>
<td></td>
</tr>
<tr>
<td>Benefit payments</td>
<td>(62,470)</td>
</tr>
<tr>
<td>Net Changes</td>
<td>260,681</td>
</tr>
<tr>
<td>Balance at June 30, 2019 (Measurement Date June 30, 2019)</td>
<td>$ 2,206,013</td>
</tr>
</tbody>
</table>

Sensitivity of the OPEB liability to changes in the discount rate. The following presents the OPEB liability, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.13 percent) or 1-percentage-point higher (4.13 percent) than the current discount rate:

<table>
<thead>
<tr>
<th></th>
<th>1% Decrease 2.13%</th>
<th>Current Rate 3.13%</th>
<th>1% Increase 4.13%</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPEB Liability</td>
<td>$ 2,538,469</td>
<td>$ 2,206,013</td>
<td>$ 1,933,984</td>
</tr>
</tbody>
</table>
NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Sensitivity of the OPEB liability to changes in the healthcare trend rates. The following presents the OPEB liability, as well as what the OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1-percentage point lower (4.90 percent) or 1-percentage-point higher (6.90 percent) than the current healthcare cost trend rates:

<table>
<thead>
<tr>
<th>Healthcare Cost Trend Rate</th>
<th>1% Decrease (4.90%)</th>
<th>OPEB Liability</th>
<th>1% Increase (6.90%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 1,859,940</td>
<td>$ 2,206,013</td>
<td>$ 2,642,618</td>
</tr>
</tbody>
</table>

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2019, the Commission recognized OPEB expense of $186,314. As of the fiscal year ended June 30, 2019, the Commission reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

<table>
<thead>
<tr>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPEB contributions subsequent to measurement date</td>
<td>$ 114,507</td>
</tr>
<tr>
<td>Change in assumptions</td>
<td>$ 114,507</td>
</tr>
</tbody>
</table>

Amounts reported as deferred outflows and inflows of resources will be recognized in OPEB expense as follows:

<table>
<thead>
<tr>
<th>Fiscal Year Ending June 30,</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$ 3,116</td>
</tr>
<tr>
<td>2021</td>
<td>$ 3,116</td>
</tr>
<tr>
<td>2022</td>
<td>$ 3,116</td>
</tr>
<tr>
<td>2023</td>
<td>$ 3,116</td>
</tr>
<tr>
<td>2024</td>
<td>$ 12,723</td>
</tr>
<tr>
<td>Total</td>
<td>$ 25,185</td>
</tr>
</tbody>
</table>

NOTE 10 – SENATE BILL 1 – STATE OF GOOD REPAIR

The Road Repair and Accountability Act of 2017, Senate Bill (SB) 1 (Chapter 5, Statues of 2017), signed by the Governor on April 28, 2017, includes a program that will provide additional revenues for transit infrastructure repair and service improvements. This investment in public transit will be referred to as the State of Good Repair program. This program provides funding of approximately $105 million annually to the State Transit Assistance (STA) Account. These funds are to be made available for eligible transit maintenance, rehabilitation and capital projects.
NOTE 10 – SENATE BILL 1 – STATE OF GOOD REPAIR (Continued)

This program demonstrates California's commitment to clean, sustainable transportation, and the role that public transit plays in that vision. While SB 1 addresses a variety of transportation needs, this program has a specific goal of keeping transit systems in a state of good repair, including the purchase of new transit vehicles, and maintenance and rehabilitation of transit facilities and vehicles. These new investments will lead to cleaner transit vehicle fleets, increased reliability and safety, and reduced greenhouse gas emissions and other pollutants.

In the fiscal year ended June 30, 2019, the Santa Cruz County Regional Transportation Commission received $670,679. The funding was distributed to the Santa Cruz Metropolitan Transit District.

NOTE 11 – SUBSEQUENT EVENT

Subsequent to year-end, the Commission may be negatively impacted by the effects of the worldwide COVID-19 pandemic. The Commission is closely monitoring its operations, liquidity, and reserves and is actively working to minimize the current and future impact of this situation. As of the date of the issuance of these financial statements, the full impact to the Commission’s financial position is not known.

NOTE 12 – PRIOR PERIOD ADJUSTMENT

A prior period adjustment of $44,819 was made to the Administration and Planning Fund. $41,704 was adjusted to cash and investments and $3,115 was adjusted to accrued salaries due to the timing of payroll expenditures.

A prior period adjustment of $(1,525,410) was made to the Measure D Fund to adjust distributions to the proper period.
REQUIRED SUPPLEMENTARY INFORMATION SECTION
<table>
<thead>
<tr>
<th>Revenues</th>
<th>Original</th>
<th>Final</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Transportation Funds</td>
<td>1,334,393</td>
<td>$1,438,584</td>
<td>$1,438,584</td>
<td></td>
</tr>
<tr>
<td>RSTP Exchange</td>
<td>75,000</td>
<td>99,997</td>
<td>24,997</td>
<td></td>
</tr>
<tr>
<td>State Planning, Programming and</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monitoring Funds</td>
<td>175,000</td>
<td>133,660</td>
<td>(3,437)</td>
<td></td>
</tr>
<tr>
<td>State Rural Planning Assistance</td>
<td>341,666</td>
<td>424,392</td>
<td>3,142</td>
<td></td>
</tr>
<tr>
<td>Fed 5304 SR9</td>
<td>70,210</td>
<td>71,154</td>
<td>944</td>
<td></td>
</tr>
<tr>
<td>Measure D</td>
<td>416,600</td>
<td>977,470</td>
<td>396,302</td>
<td></td>
</tr>
<tr>
<td>Transit Planning Grants</td>
<td>90,000</td>
<td>100,000</td>
<td>(100,000)</td>
<td></td>
</tr>
<tr>
<td>Land Trust</td>
<td></td>
<td>259,826</td>
<td>259,826</td>
<td></td>
</tr>
<tr>
<td>Use of money and property</td>
<td></td>
<td>14,819</td>
<td>14,819</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>3,647</td>
<td>3,647</td>
<td></td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>2,357,659</td>
<td>2,823,309</td>
<td>3,423,549</td>
<td>600,240</td>
</tr>
</tbody>
</table>

| Expenditures                         |          |            |                |                                               |
| Salaries and benefits                | 1,301,000| 1,580,573  | 1,744,491      | (163,918)                                     |
| Services and supplies                | 687,100  | 2,271,155  | 532,993        | 1,738,162                                     |
| Bike to Work                         | 60,000   | 60,000     | 8000           |                                               |
| Community Traffic Safety Coalition   | 130,000  | 130,000    | 130,000        |                                               |
| Unified Corridor Investment          | 300,000  | 275,724    | 1,581          |                                               |
| Passenger Rail Study                 | 50,000   | 50,000     | 21,838         |                                               |
| Prioritization                       | 25,000   |            | 25,000         |                                               |
| SR9 San Lorenzo Valley Complete Streets | 50,000 | 45,868     | (45,868)       |                                               |
| Capital outlay                        | 25,000   | 1,793      | (1,793)        |                                               |
| SR2S Education                      |           | 25,000     | 25,000         |                                               |
| **Total expenditures**               | 2,603,100| 4,394,033  | 2,871,308      | 1,522,725                                     |
| Excess of revenues over (under)      | (245,441)| (1,570,724)| 552,241        | 2,122,965                                     |
| expenditures                         |          |            |                |                                               |

| Other Financing Sources (Uses):      |          |            |                |                                               |
| Operating transfers out              | (110,000)| (110,000)  | (110,000)      |                                               |
| **Total other financing sources (uses)** | (110,000)| (110,000)| (110,000)      |                                               |
| Excess of revenues and other sources over (under) expenditures and other uses | (355,441)| (1,680,724)| 442,241 | 2,122,965 |
| Fund balance - July 1                | 1,126,419| 1,126,419  | 1,126,419      |                                               |
| Prior period adjustment              |           | 44,819     | 44,819         |                                               |
| Fund balance - July 1, restated      | 1,126,419| 1,126,419  | 1,171,238      | 44,819                                        |
| Fund balance - June 30               | $770,978  | $ (554,305)| $ 1,613,479    | $ 2,167,784                                   |
SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
BUDGETARY COMPARISON SCHEDULE
RAIL/TRAIL AUTHORITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
<tr>
<td>Revenues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Measure D</td>
<td>$1,860,500</td>
<td>$2,462,587</td>
</tr>
<tr>
<td>Use of money and property</td>
<td>76,555</td>
<td>76,555</td>
</tr>
<tr>
<td>RSTP Exchange</td>
<td>560,064</td>
<td>560,064</td>
</tr>
<tr>
<td>Other revenue</td>
<td>65,000</td>
<td>65,000</td>
</tr>
<tr>
<td>Total revenues</td>
<td>2,485,564</td>
<td>3,087,651</td>
</tr>
<tr>
<td>Expenditures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>258,025</td>
<td>319,370</td>
</tr>
<tr>
<td>Services and supplies</td>
<td>2,400,307</td>
<td>2,922,177</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>2,658,332</td>
<td>3,241,547</td>
</tr>
<tr>
<td>Excess of revenues over (under) expenditures</td>
<td>(172,768)</td>
<td>(153,896)</td>
</tr>
<tr>
<td>Other Financing Sources (Uses):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating transfers in</td>
<td>110,000</td>
<td>110,000</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>110,000</td>
<td>110,000</td>
</tr>
<tr>
<td>Excess of revenues and other sources over (under) expenditures and other uses</td>
<td>(62,768)</td>
<td>(43,896)</td>
</tr>
<tr>
<td>Fund balance - July 1</td>
<td>335,169</td>
<td>335,169</td>
</tr>
<tr>
<td>Fund balance - June 30</td>
<td>$272,401</td>
<td>$291,273</td>
</tr>
</tbody>
</table>
### SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION

#### BUDGETARY COMPARISON SCHEDULE

**SERVICE AUTHORITY FOR FREEWAY EMERGENCIES FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

*For the Fiscal Year Ended June 30, 2019*

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Original</th>
<th>Final</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motor vehicle fees</td>
<td>$250,000</td>
<td>$250,000</td>
<td>$260,839</td>
<td>$10,839</td>
</tr>
<tr>
<td>Aid from other governments</td>
<td>$50,000</td>
<td>$50,000</td>
<td>$50,000</td>
<td></td>
</tr>
<tr>
<td>Measure D</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$25,000</td>
<td></td>
</tr>
<tr>
<td>Use of money and property</td>
<td>$3,000</td>
<td>$3,000</td>
<td>$10,348</td>
<td>$7,348</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>$328,000</td>
<td>$328,000</td>
<td>$346,187</td>
<td>$18,187</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>$129,000</td>
<td>$129,000</td>
<td>$123,548</td>
<td>$5,452</td>
</tr>
<tr>
<td>Services and supplies</td>
<td>$209,300</td>
<td>$209,300</td>
<td>$159,178</td>
<td>$50,122</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>$338,300</td>
<td>$338,300</td>
<td>$282,726</td>
<td>$55,574</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Financing Sources (Uses):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating transfers out</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Other Financing Sources (Uses):</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total other financing sources (uses)</td>
</tr>
</tbody>
</table>

| Excess of revenues and other sources over (under) expenditures and other uses | (60,300) | (60,300) | 13,461        | 73,761                    |

| Fund balance - July 1 | $495,563 | $495,563 | $495,563 |                           |

| Fund balance - June 30  | $435,263 | $435,263 | $509,024 | $73,761                   |
### SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
**BUDGETARY COMPARISON SCHEDULE**
**FREEWAY SERVICE PATROL FUND**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**
For the Fiscal Year Ended June 30, 2019

#### Budgeted Amounts

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Original</th>
<th>Final</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>California Department of Transportation Grant</td>
<td>$248,975</td>
<td>$185,600</td>
<td>$185,600</td>
<td>$ -</td>
</tr>
<tr>
<td>State Planning, Programming and Monitoring Funds</td>
<td>221,786</td>
<td>135,910</td>
<td>(85,876)</td>
<td>(85,876)</td>
</tr>
<tr>
<td>Measure D</td>
<td>175,008</td>
<td>129,413</td>
<td>129,413</td>
<td>129,413</td>
</tr>
<tr>
<td>Use of money and property</td>
<td>1,000</td>
<td>808</td>
<td>809</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>424,983</td>
<td>537,607</td>
<td>451,732</td>
<td>(85,875)</td>
</tr>
</tbody>
</table>

#### Expenditures

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Original</th>
<th>Final</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and benefits</td>
<td>83,000</td>
<td>77,529</td>
<td>77,529</td>
<td>77,529</td>
</tr>
<tr>
<td>Services and supplies</td>
<td>17,000</td>
<td>33,986</td>
<td>33,986</td>
<td>33,986</td>
</tr>
<tr>
<td>Towing service</td>
<td>324,983</td>
<td>313,211</td>
<td>313,211</td>
<td>313,211</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>424,983</td>
<td>424,726</td>
<td>424,726</td>
<td>424,726</td>
</tr>
</tbody>
</table>

**Excess of revenues over (under) expenditures**

| Excess of revenues over (under) expenditures | 112,881 | 27,006 | (85,875) |

#### Fund balance

| Fund balance - July 1 | 116,031 | 116,031 | 116,031 |
| Fund balance - June 30 | $116,031 | $228,912 | $143,037 | $ (85,875) |

14-60
## SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
### BUDGETARY COMPARISON SCHEDULE
#### HIGHWAY 1 PROGRAM FUND
##### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Use of money and property</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>RSTP Exchange Funds</td>
<td>8,535</td>
<td>8,535</td>
</tr>
<tr>
<td>Active Transportation Program</td>
<td>280,000</td>
<td>280,000</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>288,535</td>
<td>288,535</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>60,000</td>
<td>60,000</td>
</tr>
<tr>
<td>Services and supplies</td>
<td>232,535</td>
<td>232,535</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>292,535</td>
<td>292,535</td>
</tr>
<tr>
<td><strong>Excess of revenues over (under) expenditures</strong></td>
<td>(4,000)</td>
<td>(4,000)</td>
</tr>
<tr>
<td><strong>Fund balance - July 1</strong></td>
<td>20,303</td>
<td>20,303</td>
</tr>
<tr>
<td><strong>Fund balance - June 30</strong></td>
<td>$ 16,303</td>
<td>$ 16,303</td>
</tr>
</tbody>
</table>
SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
BUDGETARY COMPARISON SCHEDULE
HIGHWAY 1 AUXILIARY LANES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2019

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Original</th>
<th>Final</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of money and property</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 11,191</td>
<td>$ 11,191</td>
</tr>
<tr>
<td>RSTP Exchange Funds</td>
<td>1,031,437</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Planning, Programming and Monitoring Funds</td>
<td>4,000,000</td>
<td>4,079,000</td>
<td>352,752</td>
<td>(3,726,248)</td>
</tr>
<tr>
<td>Aid from other governments</td>
<td>175,000</td>
<td>45,390</td>
<td>45,390</td>
<td>(129,610)</td>
</tr>
<tr>
<td>Measure D</td>
<td>80,000</td>
<td>4,100,000</td>
<td>572,267</td>
<td>(3,527,733)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>5,111,437</td>
<td>8,354,000</td>
<td>981,600</td>
<td>(7,372,400)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Original</th>
<th>Final</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and benefits</td>
<td>280,000</td>
<td>170,000</td>
<td>152,059</td>
<td>17,941</td>
</tr>
<tr>
<td>Services and supplies</td>
<td>4,831,437</td>
<td>6,730,000</td>
<td>818,031</td>
<td>5,911,969</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>5,111,437</td>
<td>6,900,000</td>
<td>970,090</td>
<td>5,929,910</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Excess of revenues over (under) expenditures</th>
<th>Original</th>
<th>Final</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,454,000</td>
<td>11,510</td>
<td></td>
<td>(1,442,490)</td>
</tr>
</tbody>
</table>

| Fund balance - July 1                       | 630,070      | 630,070     | 630,070        |                           |
| Fund balance - June 30                      | $ 630,070    | $ 2,084,070 | $ 641,580      | $ (1,442,490)             |
## SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
### BUDGETARY COMPARISON SCHEDULE
#### CRUZ 511 FUND
##### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2019

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>RSTP Exchange Funds</td>
<td>$498,900</td>
<td>$464,715</td>
<td>$-</td>
<td>$(464,715)</td>
</tr>
<tr>
<td>Measure D</td>
<td>50,000</td>
<td>150,000</td>
<td>41,253</td>
<td>(108,747)</td>
</tr>
<tr>
<td>Use of money and property</td>
<td>5,696</td>
<td>5,696</td>
<td>5,696</td>
<td>5,696</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>548,900</td>
<td>614,715</td>
<td>46,949</td>
<td>(567,766)</td>
</tr>
</tbody>
</table>

| Expenditures | | | | |
|----------|-------|-------|--------|
| Salaries and benefits | 207,000 | 207,000 | 177,274 | 29,726 |
| Services and supplies | 109,100 | 173,052 | 3,945 | 169,107 |
| **Total expenditures** | 316,100 | 380,052 | 181,219 | 198,833 |

| Excess of revenues over (under) expenditures | 232,800 | 234,663 | (134,270) | (368,933) |

<table>
<thead>
<tr>
<th>Other Financing Sources (Uses):</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating transfers in</td>
<td>72,000</td>
<td>72,000</td>
<td>50,000</td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td>72,000</td>
<td>72,000</td>
<td>50,000</td>
</tr>
</tbody>
</table>

| Excess of revenues and other sources over (under) expenditures and other uses | 304,800 | 306,663 | (84,270) | (390,933) |

| Fund balance - July 1 | 336,691 | 336,691 | 336,691 | 336,691 |

| Fund balance - June 30 | $641,491 | $643,354 | $252,421 | $(390,933) |
### Revenues

<table>
<thead>
<tr>
<th></th>
<th>Original</th>
<th>Final</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Positive (Negative)</td>
</tr>
<tr>
<td>Local Transportation Funds</td>
<td>$</td>
<td>$ 48,942</td>
<td>$ 51,479</td>
<td>$2,537</td>
</tr>
<tr>
<td>RSTP Exchange Funds</td>
<td>200,000</td>
<td>248,942</td>
<td>48,942</td>
<td>(200,000)</td>
</tr>
<tr>
<td>Active Transportation Program</td>
<td>278,000</td>
<td>101,358</td>
<td>176,642</td>
<td>(176,642)</td>
</tr>
<tr>
<td>Land Trust</td>
<td>150,000</td>
<td>121,958</td>
<td>121,940</td>
<td>(18)</td>
</tr>
<tr>
<td>Measure D</td>
<td>3,089,250</td>
<td>3,339,250</td>
<td>1,039,544</td>
<td>(2,299,706)</td>
</tr>
<tr>
<td>Use of money and property</td>
<td>1,385</td>
<td>1,385</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>3,439,250</td>
<td>4,037,092</td>
<td>1,364,648</td>
<td>(2,672,444)</td>
</tr>
</tbody>
</table>

### Expenditures

<table>
<thead>
<tr>
<th></th>
<th>Original</th>
<th>Final</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Positive (Negative)</td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>420,000</td>
<td>616,916</td>
<td>515,324</td>
<td>101,592</td>
</tr>
<tr>
<td>Services and supplies</td>
<td>3,019,250</td>
<td>2,321,209</td>
<td>820,226</td>
<td>1,500,983</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>3,439,250</td>
<td>2,938,125</td>
<td>1,335,550</td>
<td>1,602,575</td>
</tr>
</tbody>
</table>

Excess of revenues over (under) expenditures

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund balance - July 1</td>
<td>42,226</td>
<td>42,226</td>
<td>42,226</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund balance - June 30</th>
<th>$ 42,226</th>
<th>$ 1,141,193</th>
<th>$ 71,324</th>
<th>$ (1,069,869)</th>
</tr>
</thead>
</table>
## SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
### SCHEDULE OF CHANGES IN THE OPEB LIABILITY AND RELATED RATIOS
#### Last 10 Years*
#### As of June 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total OPEB Liability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>$113,898</td>
<td>$121,414</td>
</tr>
<tr>
<td>Interest on the total OPEB liability</td>
<td>69,300</td>
<td>60,196</td>
</tr>
<tr>
<td>Actual and expected experience difference</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes in assumptions</td>
<td>139,953</td>
<td>(133,982)</td>
</tr>
<tr>
<td>Change in benefit items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit payments</td>
<td>(62,470)</td>
<td>(50,598)</td>
</tr>
<tr>
<td>Net change in total OPEB liability</td>
<td>260,681</td>
<td>(2,970)</td>
</tr>
</tbody>
</table>

Total OPEB liability - beginning $1,945,332 $1,948,302
Total OPEB liability - ending $2,206,013 $1,945,332

Covered payroll $1,888,097 $1,374,598

Total OPEB liability as a percentage of covered payroll 116.84% 141.52%

* Fiscal year 2018 was the 1st year of implementation, therefore only two years are shown.
The Commission's contribution for the fiscal year ended June 30, 2019 was $62,470. The Commission did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2019, therefore the Commission does not need to comply with GASB 75's Required Supplementary Information requirements.

The Commission's contribution for the fiscal year ended June 30, 2018 was $50,598. The Commission did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2018, therefore the Commission does not need to comply with GASB 75's Required Supplementary Information requirements.

*- Fiscal year 2018 was the 1st year of implementation, therefore only two years are shown.
The following table provides required supplementary information regarding the Commission's Pension Plan.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion of the net pension liability</td>
<td>0.01717%</td>
<td>0.01902%</td>
<td>0.01925%</td>
<td>0.01875%</td>
</tr>
<tr>
<td>Proportionate share of the net pension liability</td>
<td>$ 1,654,850</td>
<td>$ 1,886,393</td>
<td>$ 1,665,777</td>
<td>$ 1,286,988</td>
</tr>
<tr>
<td>Covered payroll</td>
<td>$ 1,590,897</td>
<td>$ 1,541,379</td>
<td>$ 1,523,462</td>
<td>$ 1,351,432</td>
</tr>
<tr>
<td>Proportionate share of the net pension liability as percentage of covered payroll</td>
<td>104.02%</td>
<td>122.38%</td>
<td>109.34%</td>
<td>95.23%</td>
</tr>
<tr>
<td>Plan's total pension liability</td>
<td>$ 38,944,855,364</td>
<td>$ 37,161,348,332</td>
<td>$ 33,358,627,624</td>
<td>$ 31,771,217,402</td>
</tr>
<tr>
<td>Plan's fiduciary net position</td>
<td>$ 29,308,589,559</td>
<td>$ 27,244,095,376</td>
<td>$ 24,705,532,291</td>
<td>$ 24,907,305,871</td>
</tr>
<tr>
<td>Plan fiduciary net position as a percentage of the total pension liability</td>
<td>75.26%</td>
<td>73.31%</td>
<td>74.06%</td>
<td>78.40%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion of the net pension liability</td>
<td>0.02073%</td>
</tr>
<tr>
<td>Proportionate share of the net pension liability</td>
<td>$ 1,289,646</td>
</tr>
<tr>
<td>Covered payroll</td>
<td>$ 1,333,752</td>
</tr>
<tr>
<td>Proportionate share of the net pension liability as percentage of covered payroll</td>
<td>96.69%</td>
</tr>
<tr>
<td>Plan's total pension liability</td>
<td>$ 30,829,966,631</td>
</tr>
<tr>
<td>Plan's fiduciary net position</td>
<td>$ 24,607,502,515</td>
</tr>
<tr>
<td>Plan fiduciary net position as a percentage of the total pension liability</td>
<td>79.82%</td>
</tr>
</tbody>
</table>

**Note to Schedule:**

**Change in assumptions**

In 2018, inflation was changed from 2.75 percent to 2.50 percent and individual salary increases and overall payroll growth was reduced from 3.00 percent to 2.75 percent.

In 2017, as part of the Asset Liability Management review cycle, the discount rate was changed from 7.65 percent to 7.15 percent.

In 2016, the discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent to correct for an adjustment to exclude administrative expense.

In 2015, amounts reported as change in assumptions resulted primarily from adjustments to expected ages of general employees.

*- Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.
The following table provides required supplementary information regarding the Commission's Pension Plan.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contractually required contribution (actuarially determined)</strong></td>
<td>$443,077</td>
<td>$552,504</td>
<td>$267,135</td>
<td>$214,636</td>
</tr>
<tr>
<td><strong>Contribution in relation to the actuarially determined contributions</strong></td>
<td>(443,077)</td>
<td>(552,504)</td>
<td>(267,135)</td>
<td>(214,636)</td>
</tr>
<tr>
<td><strong>Contribution deficiency (excess)</strong></td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td><strong>Covered payroll</strong></td>
<td>$2,081,870</td>
<td>$1,590,897</td>
<td>$1,541,379</td>
<td>$1,523,462</td>
</tr>
<tr>
<td><strong>Contributions as a percentage of covered payroll</strong></td>
<td>21.28%</td>
<td>34.73%</td>
<td>17.33%</td>
<td>14.09%</td>
</tr>
</tbody>
</table>

**2015**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contractually required contribution (actuarially determined)</strong></td>
<td>$170,439</td>
</tr>
<tr>
<td><strong>Contribution in relation to the actuarially determined contributions</strong></td>
<td>(170,439)</td>
</tr>
<tr>
<td><strong>Contribution deficiency (excess)</strong></td>
<td>$-</td>
</tr>
<tr>
<td><strong>Covered payroll</strong></td>
<td>$1,351,432</td>
</tr>
<tr>
<td><strong>Contributions as a percentage of covered payroll</strong></td>
<td>12.61%</td>
</tr>
</tbody>
</table>

**Notes to Schedule**

Valuation Date: 6/30/2014

Methods and assumptions used to determine contribution rates:

- **Actuarial cost method**: Entry Age Normal
- **Asset valuation method**: 5-year smoothed market
- **Amorization Method**: The unfunded actuarial accrued liability is amortized over an open 17 year period as a level percentage of payroll.
- **Discount rate**: 7.50%
- **Amortization growth rate**: 3.75%
- **Price inflation**: 3.25%
- **Salary increases**: 3.75% plus merit component based on employee classification and years of service.
- **Mortality**: Sex distinct RP-2000 Combined Mortality projected to 2010 using Scale AA with a 2 year setback for males and a 4 year setback for females.

- **Valuation date**: 6/30/2016 6/30/2015
- **Discount rate**: 7.375% 7.65%

*- Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.
INDEPENDENT AUDITORS’ REPORT ON
TRANSPORTATION DEVELOPMENT ACT COMPLIANCE

Santa Cruz County Regional Transportation Commission
Santa Cruz, California

We have audited the financial statements of the governmental activities, the major funds, and the aggregate remaining fund information of the Santa Cruz County Regional Transportation Commission’s (the Commission) compliance with the types of compliance requirements described in the Transportation Development Act Guidebook, published by the State of California Department of Transportation applicable for the fiscal year ended June 30, 2019.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the Transportation Development Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Commission’s compliance based on our audit of the compliance with applicable statutes, rules and regulations of the Transportation Development Act (TDA), Sections 99233.1 and 99402, the California Code of Regulations (CCR), and the allocation instructions and resolutions of Santa Cruz County Regional Transportation Commission as required by Section 6662 and 6666 of the CCR. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the Transportation Development Act Guidebook. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the state laws and regulations applicable to the Fund occurred. An audit includes examining, on a test basis, evidence about the Fund’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance. However, our audit does not provide a legal determination of the Commission’s compliance.

Opinion on Compliance with the Transportation Development Act

In our opinion, the funds allocated to and received by Santa Cruz County Regional Transportation Commission pursuant to the TDA, complied, in all material respects, with the compliance requirements referred to above that are applicable to the statutory requirements of the Transportation Development Act and the allocation instructions and resolutions of Santa Cruz County Regional Transportation Commission for the fiscal year ended June 30, 2019.

This report is intended solely for the information and use of the Board of Directors, management of the Santa Cruz County Regional Transportation Commission and for filing with the appropriate regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.

Moss, Levy & Hartzheim LLP
Santa Maria, California
June 24, 2020
INDEPENDENT AUDITORS’ REPORT ON MEASURE D COMPLIANCE

Santa Cruz County Regional Transportation Commission
Santa Cruz, California

We have audited the financial statements of the governmental activities, the major funds, and the aggregate remaining fund information of the Santa Cruz County Regional Transportation Commission’s (the Commission) compliance with the types of compliance requirements described in Ordinance No. 2016-01 (Measure D), applicable for the fiscal year ended June 30, 2019.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the Measure D.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Commission’s compliance based on our audit of the compliance with applicable statutes, rules and regulations of Measure D. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Ordinance No. 2016-01. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the state laws and regulations applicable to the Fund occurred. An audit includes examining, on a test basis, evidence about the Fund’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance. However, our audit does not provide a legal determination of the Commission’s compliance.

Opinion on Compliance with Measure D

In our opinion, the funds allocated to and received by Santa Cruz County Regional Transportation Commission pursuant to Measure D, complied, in all material respects, with the compliance requirements referred to above that are applicable to the statutory requirements of Measure D of Santa Cruz County Regional Transportation Commission for the fiscal year ended June 30, 2019.

This report is intended solely for the information and use of the Board of Directors, management of the Santa Cruz County Regional Transportation Commission and for filing with the appropriate regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.

Santa Maria, California
June 24, 2020

Moss, Levy & Hartzheim LLP
## SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
### SCHEDULE OF ALLOCATIONS AND EXPENDITURES
#### LOCAL TRANSPORTATION FUND
For the Fiscal Year Ended June 30, 2019

<table>
<thead>
<tr>
<th>Claimant/Purpose/Authority*</th>
<th>Allocated Balance July 1, 2018</th>
<th>Allocation</th>
<th>Expended</th>
<th>Allocated Balance June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Santa Cruz Metropolitan Transit District</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transit operator assistance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PUC § 99260(a)</td>
<td>$ -</td>
<td>$ 7,288,209</td>
<td>$ 7,288,209</td>
<td>$ -</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td>$ 7,288,209</td>
<td>$ 7,288,209</td>
<td></td>
</tr>
<tr>
<td><strong>Santa Cruz County Regional Transportation Commission</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PUC § 99233.1</td>
<td>701,761</td>
<td>701,761</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planning</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PUC § 99402</td>
<td>788,302</td>
<td>788,302</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td>1,490,063</td>
<td>1,490,063</td>
<td></td>
</tr>
<tr>
<td><strong>City of Santa Cruz</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volunteer Center and Community Bridges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PUC § 99400 (c)</td>
<td>798,782</td>
<td>798,782</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pedestrian and bicycle</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PUC § 99400 (a)</td>
<td>368,232</td>
<td>102,270</td>
<td>32,000</td>
<td>438,502</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td>460,452</td>
<td>334,570</td>
<td>438,502</td>
</tr>
<tr>
<td><strong>County of Santa Cruz</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pedestrian and bicycle</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
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<td>Totals</td>
<td></td>
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<td>214,054</td>
<td>415,359</td>
</tr>
<tr>
<td><strong>City of Scotts Valley</strong></td>
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<tr>
<td>Pedestrian and bicycle</td>
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<td>PUC § 99400 (a)</td>
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<td>30,632</td>
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<tr>
<td>Totals</td>
<td></td>
<td>11,515</td>
<td>19,117</td>
<td>30,632</td>
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<tr>
<td>Pedestrian and bicycle</td>
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<tr>
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<td>199,373</td>
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<td>Pedestrian and bicycle</td>
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<td>83,323</td>
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<td>585,475</td>
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<tr>
<td>Totals</td>
<td></td>
<td>502,152</td>
<td>83,323</td>
<td>585,475</td>
</tr>
<tr>
<td>Grand totals</td>
<td>$ 1,815,774</td>
<td>$ 10,011,790</td>
<td>$ 10,024,413</td>
<td>$ 1,803,151</td>
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* Public Utilities Code
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<tr>
<th>Claimant/Purpose/Authority*</th>
<th>Allocated Balance July 1, 2018</th>
<th>Allocation</th>
<th>Expended</th>
<th>Allocated Balance June 30, 2019</th>
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<tbody>
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<td><strong>Santa Cruz Metropolitan Transit District</strong></td>
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<td>$ -</td>
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<td>Transit operator assistance</td>
<td>CAC § 6730 a</td>
<td>$ -</td>
<td>$ 4,924,608</td>
<td>$ 4,924,608</td>
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<td><strong>Total</strong></td>
<td>$ -</td>
<td>$ 4,924,608</td>
<td>$ 4,924,608</td>
<td>$ -</td>
</tr>
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</table>

* California Administrative Code
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TO: Regional Transportation Commission
FROM: Shannon Munz, Communications Specialist
RE: Fiscal Year 18/19 Measure D Annual Report

RECOMMENDATIONS

Receive the Measure D Taxpayer Oversight Committee report to the public regarding Fiscal Year (FY) 18/19 expenditures and audits.

BACKGROUND

In November 2016, Santa Cruz County voters approved the Measure D transportation sales tax. The tax went into effect in April 2017, with the state making the first payments of revenues collected to the Santa Cruz County Regional Transportation Commission (SCCRTC) in summer 2017. The Measure D Ordinance recognizes that accountability is of utmost importance and includes several safeguards to ensure accountability, transparency and public oversight of all funds collected and allocated (Ordinance Section 32).

Funding agreements with recipient agencies require each agency receiving Measure D revenues to annually provide an expenditure report and audited financial statements showing how Measure D funds were spent in the prior fiscal year. Agencies that receive allocations of Measure D funds include: Santa Cruz County Regional Transportation Commission (SCCRTC), cities of Capitola, Santa Cruz, Scotts Valley, and Watsonville, the County of Santa Cruz, Santa Cruz Metropolitan Transit District (METRO), and Community Bridges/Lift Line.

The purpose of the audits and expenditure reports is to help confirm that the expenditure of funds is in accordance with the Measure D Ordinance and Expenditure Plan adopted by the voters and Measure D Funding Agreement with recipient agencies.

Per Section 32C of the voter approved Ordinance, Measure D requires establishment of an oversight committee. The oversight committee is tasked with the following responsibilities:

- Reviewing Expenditure Plan expenditures on an annual basis to ensure they conform to the Ordinance
- Reviewing annual audits and reports prepared by independent auditors, describing how funds were spent
- Producing a publicly available Annual Report of oversight activities
DISCUSSION

Earlier this year, the Measure D Taxpayer Oversight Committee reviewed audits and expenditure reports from each of the agencies allocated Measure D revenues. The audits and reports covered FY 18/19. The audits and expenditure reports are available online at: https://sccrtc.org/funding-planning/measured/taxpayer-oversight/

Based on the oversight committee’s review of the audits and expenditure reports from recipient agencies, committee members prepared an annual report that includes a letter from them commenting on whether the provisions and requirements have been complied with through FY 18/19. The annual report focuses on the financials and findings of the audits, and also includes highlights of FY 18/19 expenditures. Attachment 1 is the FY 18-19 Measure D Annual Report. Staff recommends that the commission receive the Measure D Annual Report for FY 18/19 (Attachment 1).

FISCAL IMPACTS: There are no fiscal impacts associated with receiving the Measure D Taxpayer Oversight Committee Annual Report regarding FY 18/19 expenditures and audits.

SUMMARY

The Measure D Ordinance requires the oversight committee to report to the public regarding the FY 18/19 expenditures and annual audits. The Measure D Annual Report has concluded that the expenditure of Measure D funds has been in accordance with the Measure D Ordinance and Expenditure Plan for the period of July 1, 2018 through June 30, 2019.

Attachments:
1. FY 18/19 Measure D Annual Report
Measure D
Taxpayer Oversight Committee
Annual Report
Fiscal Year 18/19
In November 2016, over 2/3rd of the voters of Santa Cruz County approved Measure D, a comprehensive and inclusive package of transportation improvements to be developed in the County, that would be funded by the imposition of a Retail Transactions and Use Tax of one-half of one percent (0.5%) for a period of 30 years. The tax became effective on April 1, 2017. The Santa Cruz County Regional Transportation Commission (RTC) allocates, administers and oversees the expenditure of all Measure D revenues which are not directly allocated by formula annually to other agencies, consistent with the Expenditure Plan. The RTC has been designated as the Local Transportation Authority (the Authority) to implement the provisions of Measure D.

Section 32 of the ordinance that governs the expenditure of Measure D funds specifies that a Taxpayer Oversight Committee be formed by the Commission’s Board of Directors to review the annual independent fiscal audits of the expenditure of Transportation Tax funds and issue an annual report on its findings regarding compliance with the requirements of the Expenditure Plan and the ordinance to the Authority Board of Directors. The Taxpayer Oversight Committee shall not exceed 5 members who will be residents of Santa Cruz County who are neither elected officials of any government nor employees from any agency or organization that oversees or implements projects funded from the proceeds of the sales tax.

The Oversight Committee members were appointed by the RTC Board of Directors in 2018 after an application process was concluded. The Oversight Committee members are as follows:

- Supervisorial District 1: Janet Edwards, Vice Chair
- Supervisorial District 2: Michael W. Machado, CPA, Chair
- Supervisorial District 3: Philip Hodsdon
- Supervisorial District 4: Carmen Herrera Mansir
- Supervisorial District 5: Todd Guin

The Committee held its meeting via Zoom on May 28, 2020. Minutes of the meeting are available for review on the RTC Website.

At its meeting, the Committee reviewed the audited Measure D Financial Statements that were audited by independent CPA firms. Independent audits of the Measure D Funds of the following agencies were reviewed:

- Santa Cruz County Regional Transportation Commission
- County of Santa Cruz
- City of Capitola
- City of Santa Cruz
- City of Scotts Valley
- City of Watsonville
- Santa Cruz Metropolitan Transit District
- Community Bridges

None of the audits had any negative findings as to the expenditure of the Measure D funds nor were any incidents of non-compliance with the Ordinance noted. The Oversight Committee members and RTC staff noted several areas in which the annual reporting could be expanded to provide additional information and several suggestions were provided to the RTC and the Agencies.
A summary of Measure D Funds received and expended from July 1, 2018 through June 30, 2019 follows as reported in the audited financial statements of each agency:

<table>
<thead>
<tr>
<th>Investment Category</th>
<th>FY18/19 Measure D Funds Allocated by RTC¹</th>
<th>Expenditures FY18/19</th>
<th>Fund Balance 6/30/2019² (includes prior years &amp; interest)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highway Corridors - RTC</td>
<td>$5,360,487</td>
<td>$967,741</td>
<td>$10,585,769</td>
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<tr>
<td>Active Transportation-RTC</td>
<td>3,645,131</td>
<td>1,484,235</td>
<td>5,710,728</td>
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<tr>
<td>Rail Corridor-RTC</td>
<td>1,715,356</td>
<td>1,192,431</td>
<td>1,867,887</td>
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<td>Neighborhood</td>
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<td>SLV SR9-RTC</td>
<td>333,333</td>
<td>35,000</td>
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<td>Hwy 17 Wildlife-RTC</td>
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<tr>
<td>City of Capitola</td>
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<td>City of Santa Cruz²</td>
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<td>1,175,175</td>
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<td>City of Scotts Valley</td>
<td>288,317</td>
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<td>270,580</td>
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<td>City of Watsonville</td>
<td>902,300</td>
<td>225,101</td>
<td>1,534,120</td>
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<tr>
<td>County of Santa Cruz</td>
<td>3,060,948</td>
<td>2,287,767</td>
<td>3,557,977</td>
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<td>Transit/Paratransit - METRO</td>
<td>3,431,946</td>
<td>2,099,051</td>
<td>2,953,657</td>
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<td>Paratransit - Lift Line</td>
<td>857,751</td>
<td>1,075,170</td>
<td>266,583</td>
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<td>RTC Admin. salaries &amp; benefits</td>
<td>191,753</td>
<td>191,753</td>
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<tr>
<td>RTC Implementation, Oversight and Overhead</td>
<td>547,173</td>
<td>304,527</td>
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<tr>
<td>Total</td>
<td><strong>$22,180,875</strong></td>
<td><strong>$11,691,624</strong></td>
<td><strong>$29,518,599</strong></td>
</tr>
</tbody>
</table>

Notes: This table includes a combination of information from RTC and local agency audited financial information and project expenditure reports. For most agencies information represents cash, rather than accrual, basis. Audited financials are typically presented on a modified or full accrual basis which means revenues are recognized when earned, not when received. For example- While revenue earnings are based on transactions in May 2019, if the cash was received in July 2019, some agencies will show the funds in FY19/20 rather than FY18/19. Unexpended balances or reserved funds carryover to future years for use on Measure D eligible expenditures.

1- RTC apportionments reflect net Revenues, after state Board of Equalization fees and RTC administration and implementation, on a full accrual basis of revenues collected July 1, 2018-June 30, 2019, even though final payments received 2 months later. Figures are rounded.

2-Carryover balances, includes FY16/17-17/18 funds allocated to recipient agencies and interest to be expended in future years.

3- Additional $500,000 paid to City of Santa Cruz through Active Transportation category
As noted in the previous table, total Measure D funds collected and allocated for the fiscal year ending June 30, 2019 by the RTC, net state fees, were $22,180,875. The RTC earned $320,836 interest income on Measure D Funds not expended. The RTC distributed $10,223,065 to other agencies by formula, as outlined in the Measure D Ordinance. The RTC expended $4,175,687 on Highway, Rail, and Active Transportation/Trail projects, administration and implementation. Recipient agencies expended $7,515,937 during FY18/19. Measure D funds, including interest, totaling $29,518,599 from FY16/17-18/19 are being carried over to future years for use on eligible projects, including RTC funds for implementation, Highway, Rail, and Trail of $19,916,245 and Agency funds of $9,602,355.

Measure D continues to serve as a crucial source of local transportation funding for the Santa Cruz County community. The Committee looks forward to continuing to work with the community to ensure the ongoing success of the Measure D program.

The Measure D Taxpayer Oversight Committee hereby finds that the Authority is proceeding in accordance with the Measure D Ordinance and the Expenditure Plan for the period from July 1, 2018 through June 30, 2019.

Michael W. Machado CPA, Chair
Measure D Taxpayer Oversight Committee
Santa Cruz County Regional Transportation Commission
Measure D, a 1/2 cent sales tax measure to improve, operate and maintain Santa Cruz County’s transportation network.

Projects provide safer routes to schools for local students; maintain mobility and independence for seniors and those with disabilities; invest in bicycle and pedestrian pathways and bridges on an unprecedented scale; repave roadways, repair potholes and improve safety on local streets; ease congestion; and invest in transportation projects that reduce the pollution that causes global warming.

**Measure D Recipients**

- Measure D revenues are distributed by voter-approved formulas to the cities of Capitola, Santa Cruz, Scotts Valley, Watsonville, the County, the RTC, METRO and Lift Line. Measure D recipients may also program funds (via 5-year plans) to projects implemented by other agencies, such as Caltrans and non-profit organizations.

**Committed to Voters:**

- Each recipient agency solicits public input and approves updated 5-year plans identifying specific projects annually.
- Annual audits of the expenditure of all funds generated by the measure are conducted by independent auditors and publicly available.
- The Measure D Taxpayer Oversight Committee reviews the independent annual audits and issues a report regarding compliance with the Expenditure Plan.
- Recipient agencies are required to use new Measure D funds to supplement, not replace, existing revenues used for transportation.
Highlight of FY 18/19 Expenditures

Local Neighborhood Projects
In FY18/19, city and county public works departments used their apportionments of Measure D funds to repair local roads and improve bicycle and pedestrian facilities throughout the county. Additional information on expenditures in FY18/19 are included in each recipient agency’s annual Expenditure Report, available online at: sccrtc.org/funding-planning/measured/taxpayer-oversight/ and/or on each recipient agency website.

County of Santa Cruz
- Roadway resurfacing took place on roads countywide, including in Bonny Doon, San Lorenzo Valley, Soquel, Rio Del Mar and Aptos.

Capitola
- Design work began for Brommer Street complete streets improvements to improve access for vehicles, bikes and pedestrians, including pavement reconstruction, installation of ADA driveways and sidewalks, and reconfiguring of the eastbound approach to 41st Avenue for vehicle access.
- Slurry seal of 10 roadways, including 46th Avenue, Wharf Rd, Capitola Avenue, Plum Street, and Pilgrim Drive.

Santa Cruz
- Citywide street reconstruction included repaving of 40 streets.
- Bicycle and pedestrian safety training conducted at citywide elementary schools.

Scotts Valley
- Design work began on the Glenwood Drive Rehabilitation and Bicycle Improvement Project.
- Construction of new sidewalks on Kings Village Road was completed.
- Pavement rehabilitation and bicycle paths completed on Glen Canyon Road, Green Hills Road and S. Navarra Drive.
Watsonville

- Construction of pedestrian safety and traffic calming measures, such as striping, signage, flashing beacons, curb extensions and speed humps.
- Construction of bicycle safety signage and traffic markings along bicycle corridors citywide.
- Contracted with Bike Santa Cruz County to provide the Earn A Bike Program in Watsonville schools, which provides students with safety training and opportunities to receive a bike and bike helmet.

Lift Line – Paratransit Services

- Lift Line continued its expanded services seven days per week utilizing two additional drivers. For the first half of FY18/19, Lift Line provided 2,886 additional rides funded through Measure D.
- Two new fully electric 16-passenger paratransit buses were purchased and put into service, replacing two gas engine buses.
- Lift Line purchased a new operating facility/site in Watsonville.
- Since July 2018 Lift Line, in partnership with the Santa Cruz Downtown Seniors Center, has expanded service to Louden Nelson Community Center for seniors to take classes and participate in activities.

Santa Cruz METRO

- METRO used Measure D funds to fund bus operators for 10 bus routes, to sustain paratransit service levels, and to prevent service cuts.
Active Transportation - Monterey Bay Sanctuary Scenic Trail Network (MBSST) Rail Trail

During FY18/19 the RTC and the City of Santa Cruz used Measure D funds on environmental review, permitting, design, coordination and other actions required for the following rail trail projects:

- The City of Santa Cruz completed design work for Segment 7 Phase I from Natural Bridges Drive to Bay Street/California Avenue during FY18/19. Construction began in FY19/20.
- The City of Santa Cruz is completing design work and is pursuing grants for construction of Segment 7 Phase II from Bay Street/California Avenue to the Santa

- The City of Santa Cruz completed construction of a new bicycle and pedestrian bridge at the San Lorenzo River Trestle, improving access for bicycles and pedestrians traveling next to the railroad tracks near the Boardwalk in Santa Cruz.
- The RTC certified the Final Environmental Impact Report (EIR) on March 7, 2019 for the North Coast Segment 5 section, which goes from Davenport to Wilder Ranch State Park. In coordination with the RTC, Federal Highway Administration Central Federal Lands Highway Division (FHWA-CFLHD) is working on design of the 7.5-mile trail. The 5.4-mile section from Wilder Ranch to Panther/Yellowbank Beach is scheduled for construction in 2021.
- Environmental review and design work were completed on Segment 18 in Watsonville on Lee Road from the railroad crossing to Pajaro Valley High School. Construction of the trail between Ohlone Drive and Watsonville Slough Trail is scheduled for Spring 2020.

Highway 9/SLV Corridor and Highway 17 Wildlife Crossing

- In June 2019 the RTC completed the Highway 9/San Lorenzo Valley (SLV) Complete Streets Corridor Plan. Measure D funds are expected to leverage other funds for priority projects identified in the plan.
- Caltrans prepared design plans for the wildlife crossing under Highway 17; $5 million from Measure D will be used for construction of the project and financing needed to accelerate delivery in 2021.
Highway Corridors

- **Highway 1 Auxiliary Lanes:** Final design for auxiliary lanes between 41st Avenue and Soquel Drive began in September 2018, with construction scheduled for FY 20/21. The project includes a new bicycle/pedestrian overcrossing over Highway 1 at Chanticleer Avenue and will provide for buses to operate in auxiliary lanes and on shoulders. The RTC initiated the procurement process to hire a consultant team to conduct environmental review and preliminary engineering for the Highway 1 auxiliary lanes and bus-on-shoulder project between State Park Drive and Bay/Porter interchanges.

- **Cruz511 Program:** The RTC continued to provide rideshare, transit, bicycle, and traffic information to the public, primarily through the www.Cruz511.org website. Staff continued to provide traffic safety messaging and active transportation mapping resources to community members. Staff also worked with other entities to develop a more robust demand management program, including an online commute manager platform with dynamic ride matching, which is scheduled to launch in summer/fall 2020.

- **Safe on 17 and Freeway Service Patrol:** Measure D has provided critical funding to provide extra California Highway Patrol enforcement on Highway 17 through the Safe on 17 program. Measure D funds are also being used to provide tow truck patrols on Highway 1 and Highway 17 during peak travel times, which work in tandem with CHP to improve traffic flow and safety by removing debris, assisting motorists with broken down vehicles, clearing collisions, and other incidents.

Rail Corridor

- On January 17, 2019, the RTC approved the Unified Corridor Investment Study (UCS) preferred scenario and affirmed the RTC’s commitment to include trail and transit, freight and recreational rail uses in the Santa Cruz Branch Rail Line corridor. The RTC is currently working with METRO on the Transit Corridor Alternatives Analysis, a detailed analysis of high-capacity public transit options for the rail corridor, which is expected to be completed in January 2021.

- Storm damage repairs and preventative maintenance, including vegetation and drainage work, continues in the rail corridor. Maintenance requests can be directed to maintenance@sccrtc.org.

Administrative and Implementation Activities in FY 18/19

- Policies and procedures were followed to safeguard taxpayer dollars and ensure they are expended per voter direction.

- Accounting and fiscal systems were used to manage each of the accounts and disburse funding to direct recipients per voter approved formulas.

- Five-year plans were prepared to delineate projects planned for the first five years of revenues.

- Ongoing outreach and community engagement was conducted via website updates (www.sccrtc.org/move), Facebook, eNews, and NextDoor.

- Taxpayer Oversight Committee met to review Measure D expenditures and create the annual report.
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AGENDA: August 6, 2020

TO: Regional Transportation Commission

FROM: Guy Preston, Executive Director

RE: Central Coast Coalition – 2020 Memorandum of Understanding

RECOMMENDATIONS

Staff recommends that the Regional Transportation Commission (RTC):

1. Authorize the Executive Director to enter into the 2020 Memorandum of Understanding (MOU) with the Central Coast Coalition.

2. Authorize the Executive Director to pay the RTC’s annual dues in the amount of $3,300 for the term of the MOU.

BACKGROUND

The Central Coast Coalition (CCC) was formed in 2011 as a partnership between the five Regional Transportation Planning Agencies and the Metropolitan Planning Organizations of the 5 counties on the California Central Coast. The CCC seeks to strengthen regional presence at the California Transportation Commission (CTC), increase support for funding projects in the Central Coast, and to provide interagency coordination on a variety of issues of mutual interest. The CCC is established through a Memorandum of Understanding (MOU) made by and between the Association of Monterey Bay Area Governments (AMBAG), Santa Barbara County Association of Governments (SBCAG), Council of San Benito County Governments (San Benito COG), San Luis Obispo Council of Governments (SLOCOG), Santa Cruz County Regional Transportation Commission (SCCRTC), and the Transportation Agency for Monterey County (TAMC).

The CCC is dedicated to raising awareness of the importance of the Central Coast’s major transportation arteries (U.S. 101 and State Routes 1, 17, 41, 46, 156) as vital for the local economy and a major economic asset to the state and nation. The Coalition also seeks sustainable transportation solutions that integrate highways and local roads with central coast rail and transit corridors, bus transit, active transportation, and goods movement in a manner that addresses the needs of the small urban, suburban and rural areas of the Central Coast.

DISCUSSION

The Central Coast Coalition serves as an important platform for collaboration among the transportation agencies within Caltrans District 5. While one of its main
objectives is to raise awareness of the U.S. 101 corridor as a critical connector and vital economic asset within the state, the CCC also works closely with staff from member agencies to advocate and promote key regional transportation projects and proposals.

The Coalition will also provide legislative advocacy services for the duration of the MOU. The Sacramento based legislative assistant will represent the collective position of the Central Coast agencies in working with Caltrans, the California Transportation Commission, the State Legislature, the Governor’s Office, and other appropriate groups to advance the collective agenda of the CCC. Notably, in a cost saving effort, the RTC no longer holds a contract for Sacramento assistance. The Coalition’s legislative assistant will help keep the RTC informed of legislation that could impact transportation projects and planning in Santa Cruz County.

Also, in addition to monthly interagency meetings, the CCC orchestrates or participates in the following: annual Sacramento Legislative Advocacy Day, California Transportation Commission town halls, state agency special meetings, state workshops and meeting, and other activities related to issues in common.

Given the large number of common key issues affecting transportation on the Central Coast and long-term benefits of regional interagency collaboration, staff recommends that the RTC authorize the Executive Director to enter into the Central Coast Coalition 2020 MOU (Attachment A).

FISCAL IMPACT

Central Coast Coalition annual dues are split based on population between the Coalition agencies. The RTC’s commitment is $3,300 annually for five years totaling $16,500. This amount is consistent with annual dues of previous Central Coast Coalition MOUs. The work of the CCC supports a variety of RTC efforts, projects and programs; therefore, the cost of this agreement will be covered through indirect costs which are distributed among all RTC programs and funding sources accordingly.

SUMMARY

The RTC has been a member of the Central Coast Coalition since 2011. The CCC was formed as a partnership between AMBAG, SBCAG, San Benito COG, SLOCOG, and TAMC, and is focused on advancing regional transportation projects and priorities. This MOU ensures continued RTC participation in the CCC and it is effective from July 1, 2020 through June 30, 2025, unless member agencies agree otherwise. Staff recommends that the RTC authorize the Executive Director to enter into the Central Coast Coalition 2020 MOU. The Santa Barbara County Association of Governments will serve as the Administrative Agency for the CCC during the term of this MOU and will enter into an agreement with a firm to provide legislative advocacy services for the Coalition. In addition to the RTC, this MOU includes AMBAG, SBCAG, San Benito COG, SLOCOG, and TAMC.
Attachments:

1. Central Coast Coalition 2020 Memorandum of Understanding
MEMORANDUM OF UNDERSTANDING
BETWEEN THE:
SANTA BARBARA COUNTY ASSOCIATION OF GOVERNMENTS,
ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS,
COUNCIL OF SAN BENITO COUNTY GOVERNMENTS,
TRANSPORTATION AGENCY FOR MONTEREY COUNTY,
SAN LUIS OBISPO COUNCIL OF GOVERNMENTS, AND
SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
TO ENSURE THE VITALITY OF THE
U.S. 101 CORRIDOR ALONG THE CENTRAL COAST

Effective: July 1, 2020

THIS Memorandum of Understanding (MOU) is hereby made by and between the Santa Barbara County Association of Governments (SBCAG), Association of Monterey Bay Area Governments (AMBAG), Council of San Benito County Governments (San Benito COG), Transportation Agency for Monterey County (TAMC), San Luis Obispo Council of Governments (SLOCOG), and Santa Cruz County Regional Transportation Commission (SCCRTC), collectively referred to herein as the “CENTRAL COAST COALITION,” or the “AGENCIES,” or individually as AGENCY.

RECITALS

WHEREAS, the AGENCIES are either a regional transportation agency established pursuant to the California Government Code sections 6500 et seq or are a designated Metropolitan Planning Organization for their region by the Governor in accordance with Title 23 of the Code of Federal Regulations section 450.310; and

WHEREAS, the since 2011 the AGENCIES have worked together as the CENTRAL COAST COALITION to raise awareness of the U.S. 101 corridor on the Central Coast as a major economic asset to the state and nation and to encourage public and private investment on the corridor, and to facilitate the improvement of the U.S. 101 corridor for approximately 269 miles from the Santa Barbara/Ventura County line to the San Benito/Santa Clara County line ("U.S. 101"); and

WHEREAS, the U.S. 101 functions as a critical north-south corridor connecting the Central Coast and the greater Los Angeles Metropolitan Area to the south, the greater San Jose / San Francisco Metropolitan Area to the north, and the Central Valley to the east, serving as: a critical goods movement corridor; the primary alternative north/south highway when Interstate 5 is periodically closed due to storms and accidents; and an emergency escape route upon any natural or manmade accident or disaster occurring along the coast including wildfire, earthquake, tsunami, or critical incident at Diablo Nuclear Power Plant; and

WHEREAS, the U.S. 101 is a part of the National Highway system, is on the State Interregional Road System, and is designated a High Emphasis Focus Route in the Caltrans Interregional Transportation Strategic Plan; and

WHEREAS, the U.S. Department of Transportation in cooperation with the U. S.
Department of Defense has also deemed the Route essential for the national defense designating it a Strategic Highway Network Corridor (SHNC); and

WHEREAS, in addition to monthly staff coordinated meetings, the CENTRAL COAST COALITION orchestrates or participates in the following: annual Sacramento Legislative Advocacy Day, California Transportation Commission town halls, state agency special meetings, state workshops and meeting participation, and other activities related to the U.S. 101 corridor that spans across the AGENCIES jurisdictions; and

WHEREAS, the AGENCIES desire to set forth an annual dues schedule for the purposes of covering the expenses of the Central Coast Coalition including legislative advocacy services for a period of five years; and

WHEREAS, the AGENCIES desire SBCAG to serve as the Administrative Agency for the CENTRAL COAST COALITION during the term of this MOU and to enter into an agreement with a legislative advocacy firm to provide legislative advocacy services for the CENTRAL COAST COALITION.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the AGENCIES agree as follows:

1. ROLES AND RESPONSIBILITIES. Under this MOU, the AGENCIES agree to work together to:

   A. Raise the awareness of the importance of U.S. 101 as a critical north south highway, as well as other state routes like Highways 1, 17, 41, 46, 156 and 166, supporting the foundation of the regional economy which is also vital at statewide and national levels.

   B. Cooperate in developing and distributing information about the corridor including but not limited to improvement needs, funding options and strategies, economic impacts and benefits.

   C. Identify funding that the AGENCIES may pursue or obtain for improvements for the U.S. 101.

   D. Coordinate with Caltrans District 5 to develop projects to support the U.S. 101.

   E. Seek support from other public and private partners to raise awareness about the importance of the U.S. 101 and encourage investments in corridor improvements.

   F. Highlight the importance of the U.S. 101 corridor on the California Central Coast with the California State Transportation Agency, California Transportation Commission and state legislative and congressional representatives.
G. Seek appropriate state and federal designations that promote the statewide and national significance of the corridor for long-term economic vitality and seek additional state and federal funding for its improvement.

H. The name for the working body under this mutual understanding will be known as the “CENTRAL COAST COALITION”.

I. The AGENCIES agree the CENTRAL COAST COALITION is a multi-jurisdictional recommending agency that is not a separate legal entity and does not have powers of a decision-making body. The CENTRAL COAST COALITION cannot enter contracts, employ staff, apply for grants or other funding, incur debts, sue or be sued.

2. **ADMINISTRATIVE AGENCY.** SBCAG shall serve as the Administrative Agency for the CENTRAL COAST COALITION. As the Administrative Agency, SBCAG shall:

   A. Upon approval by the SBCAG Board, enter into an agreement with a legislative advocacy firm, in compliance with SBCAG’s purchasing policy and bidding procedures, to provide legislative advocacy services for the CENTRAL COAST COALITION to advance the collective position of the AGENCIES with Caltrans, the California Transportation Commission, the State Legislature, the Governor’s Office, and other appropriate groups.

   B. Be the single point of contact for the legislative advocate and will have the sole authority to provide direction to the legislative advocate regarding the CENTRAL COAST COALITION policy positions.

   C. Serve as the custodian of dues paid by AGENCIES and deposit dues in a separate fund.

   D. Pay all invoices of the legislative advocate from the separate fund consisting of dues paid by AGENCIES.

3. **TERM & TERMINATION.** This MOU is effective as of July 1, 2020 and shall expire on June 30, 2025, unless the AGENCIES agree otherwise. Any AGENCY may terminate its participation from this MOU upon 30-days written notification to the other AGENCIES.

4. **FINANCIAL RESPONSIBILITIES.**

   A. Each AGENCY shall pay annual dues based on a population formula as follows:

<table>
<thead>
<tr>
<th>Agency</th>
<th>Annual Amount Due</th>
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<tbody>
<tr>
<td>SBCAG</td>
<td>$5,200</td>
</tr>
<tr>
<td>SLOCOG</td>
<td>$3,300</td>
</tr>
<tr>
<td>AMBAG</td>
<td>$2,000</td>
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</table>
B. The AGENCIES shall pay annual dues to provide revenues to fulfill the roles and responsibilities of AGENCIES described above.

C. Dues shall be used for purposes consistent with the mission of the Coalition including legislative advocacy.

D. Dues are payable by June 30 of each fiscal year.

5. LIABILITY AND INDEMNIFICATION. Each AGENCY agrees to defend, indemnify and hold harmless other AGENCIES, its officers and employees from all claims, demands, damages, costs, expenses, judgments, attorney fees, or other losses that may be asserted by any person or entity, including the Central Coast Coalition that arise out of, or are related any act or omission of the Central Coast Coalition relating to this MOU. The obligation to indemnify shall be effective and shall extend to all such claims or losses in their entirety.

6. GENERAL TERMS & CONDITIONS.

A. Entire Agreement and Amendment. In conjunction with the matters considered herein, this MOU contains the entire understanding and agreement of the parties and there have been no promises, representations, agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. This MOU may be altered, amended or modified only by an instrument in writing, executed by the AGENCIES to this Agreement and by no other means. Each AGENCY waives its future right to claim, contest or assert that this MOU was modified, canceled, superseded, or changed by any oral agreements, course of conduct, waiver or estoppel.

B. Nondiscrimination. Each AGENCY shall comply with the Civil Rights Act of 1964, as amended, and shall not discriminate on the basis of race, color, national origin, or sex in the performance of this MOU.

C. Non-assignment. AGENCIES shall not assign, transfer or subcontract this MOU or any of its rights or obligations without the prior written consent of each AGENCY and any attempt to so assign, transfer, or subcontract without such consent shall be void and without legal effect.

D. Headings. The headings of the several sections shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof.

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<td>San Benito COG</td>
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<tr>
<td>TAMC</td>
<td>$5,200</td>
</tr>
<tr>
<td>SCCRTC</td>
<td>$3,300</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$20,000</strong></td>
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</table>
E. **Severability.** If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this MOU shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

F. **Compliance with Law.** Each AGENCY shall, at its sole cost and expense, comply with all State and federal ordinances and statutes, including regulations now in force or which may hereafter be in force with regard to this MOU. The judgment of any court of competent jurisdiction, or the admission of any AGENCY in any action or proceeding against an AGENCY, whether any other AGENCY is a party thereto or not, that an AGENCY has violated any such ordinance statute, or regulation, shall be conclusive of that fact.

G. **Jurisdiction & Venue.** This MOU shall be governed by the laws of the State of California. Any litigation regarding this MOU or its contents shall be filed in the County of Santa Barbara, if in State court, or in the federal district court nearest to San Luis Obispo County, if in federal court.

H. **Authority.** All signatories and parties to this MOU warrant and represent that they have the power and authority to enter into this MOU in the names, titles and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and that all formal requirements necessary or required by any State and/or federal law in order to enter into this MOU have been fully complied with.

I. **Execution of Counterparts.** This MOU may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

*(Signatures on following pages.)*
IN WITNESS WHEREOF, the AGENCIES have executed this MOU to be effective July 1, 2020.

Santa Barbara County Association of Governments

__________________________________________________________________________
Gregg Hart, Chair
Date: ____________________________

Approved as to Form
Michael C. Ghizzoni
County Counsel

Deputy County Counsel

San Luis Obispo Council of Governments

__________________________________________________________________________
Fred Strong, President
Date: ____________________________

Approved as to Form
SLOCOG Counsel

Association of Monterey Bay Area Governments

__________________________________________________________________________
Kristin Petersen, President
Date: __________

Approved as to Form
AMBAG Counsel

Michael C. Ghizzoni
County Counsel

Pete Rodgers, Executive Director

Maura Twomey
Executive Director
Santa Cruz County Regional Transportation Commission

__________________________________
Bruce McPherson, Chair
Date: ______________________________

Approved as to Form

__________________________________
SCCRTC Counsel

Transportation Agency for Monterey County

__________________________________
Luis Alejo, Chair
Date: ______________________________

Approved as to Form
TAMC Counsel

__________________________________
Kathryn Reimann

Council of San Benito County Governments

__________________________________
Ignacio Valezquez, Chair
Date: ______________________________

Approved as to Form
San Benito County Counsel

__________________________________
Shirley L. Murphy
Santa Cruz County Regional Transportation Commission
THREE MONTH MEETING SCHEDULE

August 2020
Through
October 2020

Teleconference details provided on meeting agendas and posted to our website www.sccrtc.org/meetings/. Meetings subject to cancellation when there are no action items to be considered.

<table>
<thead>
<tr>
<th>Meeting Date</th>
<th>Meeting Day</th>
<th>Meeting Type</th>
<th>Meeting Time</th>
<th>Meeting Place</th>
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<tr>
<td>08/06/20</td>
<td>Thursday</td>
<td>Regional Transportation Commission</td>
<td>9:00 am</td>
<td>Teleconference</td>
</tr>
<tr>
<td>08/10/20</td>
<td>Monday</td>
<td>Bicycle Advisory Committee</td>
<td>6:00 pm</td>
<td>Teleconference</td>
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<tr>
<td>08/11/20</td>
<td>Tuesday</td>
<td>Elderly &amp; Disabled TAC</td>
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<tr>
<td>08/20/20</td>
<td>Thursday</td>
<td>Interagency Technical Advisory Committee</td>
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<td>09/03/20</td>
<td>Thursday</td>
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<td>09/10/20</td>
<td>Thursday</td>
<td>Budget and Administration/Personnel</td>
<td>3:00 pm</td>
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<td>09/16/20</td>
<td>Wednesday</td>
<td>TOS/Safe on 17</td>
<td>10:00 am</td>
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<td>09/17/20</td>
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<td>10/05/20</td>
<td>Monday</td>
<td>Bicycle Advisory Committee</td>
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<tr>
<td>06/23/20</td>
<td>Email</td>
<td>K.Corwin</td>
<td>NA</td>
<td>Barbara Roettger Citizen Hazard report at Bay and California intersection</td>
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<tr>
<td>06/23/20</td>
<td>Email</td>
<td>S.Munz</td>
<td>NA</td>
<td>Michael Kenney IMS RFP Inquiry</td>
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<tr>
<td>06/23/20</td>
<td>Email</td>
<td>S.Munz</td>
<td>NA</td>
<td>Marcus Mitchell Integrated Arts I am a public art consultant based on Los Angeles and would like to be notified of future consulting opportunities with the RTC.</td>
</tr>
<tr>
<td>06/23/20</td>
<td>Email</td>
<td>S.Munz</td>
<td>NA</td>
<td>Kaelin Wagnermarsh Your Street Real Estate Question regarding rail trail project</td>
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<tr>
<td>06/23/20</td>
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<td>Bryan MacKenzie Homeowner Questions regarding rail trail project.</td>
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<td>06/23/20</td>
<td>Email</td>
<td>S.Munz</td>
<td>NA</td>
<td>Mike Weatherford Citizen Question regarding hazard on bridge between Rio Del Mar and State Park.</td>
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<td>06/24/20</td>
<td>Email</td>
<td>S.Munz</td>
<td>NA</td>
<td>Robin Atwood Citizen Extreme noise and vibration from Hwy 1 construction</td>
</tr>
<tr>
<td>06/25/20</td>
<td>Email</td>
<td>K.Corwin</td>
<td>NA</td>
<td>Michael Pisano Citizen The 6/29/20 agenda packet has a bad link.</td>
</tr>
<tr>
<td>06/26/20</td>
<td>Email</td>
<td>K.Corwin</td>
<td>NA</td>
<td>Robin Atwood Citizen Extreme noise and vibration from Hwy 1 construction</td>
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<td>06/26/20</td>
<td>Email</td>
<td>K.Corwin</td>
<td>NA</td>
<td>Michael Pisano Citizen E-mail link error in 6/29/20 agenda packet</td>
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<td>06/26/20</td>
<td>Email</td>
<td>K.Corwin</td>
<td>NA</td>
<td>Tracy De Leuw Citizen Please send a copy of the Bike Map.</td>
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<tr>
<td>06/30/20</td>
<td>Email</td>
<td>NA</td>
<td>Krista Corwin</td>
<td>Alejandra Pacheco City of Watsonville Please forward this resolution to Executive Director</td>
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<td>06/30/20</td>
<td>Email</td>
<td>K.Corwin</td>
<td>NA</td>
<td>Kat Katt Citizen Rail Trail Suggestion: YouTube video</td>
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<td>07/01/20</td>
<td>Email</td>
<td>K.Corwin</td>
<td>Amy Naranjo</td>
<td>Laura Giorgi Citizen Was any reason given by SPP as to why they are terminating the agreement?</td>
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<td>07/02/20</td>
<td>Email</td>
<td>S.Munz</td>
<td>NA</td>
<td>Dennis Speer Citizen Every time I ride my bike across the railroad bridge over the San Lorenzo, I notice how badly rusted the structure is. It will eventually crumble. Why isn’t it maintained properly?</td>
</tr>
<tr>
<td>07/02/20</td>
<td>Email</td>
<td>K.Corwin</td>
<td>NA</td>
<td>Bill Shoenbart Citizen That is great news! Time for a world class pedestrian and bike trail! Fix that eye sore bridge crossing in Aptos across the freeway! No where now can people ride bikes to get away from the cars. Climate change is real. Thanks.</td>
</tr>
<tr>
<td>07/02/20</td>
<td>Email</td>
<td>K.Corwin</td>
<td>NA</td>
<td>James Rang Citizen Can we just quit dicking around and build a nice Greenway now? How many millions more in studies need to be spent when the PATH forward is so clear?</td>
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<td>Amy King</td>
<td>Trestle Beach Associates</td>
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<td>Letter</td>
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<td>G.Preston 7.24.2020</td>
<td>Guy Preston</td>
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<tr>
<td>06/25/20</td>
<td>Letter</td>
<td>Outgoing</td>
<td>Mitch</td>
<td>Weiss</td>
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<td>Letter</td>
<td>Outgoing</td>
<td>Pam</td>
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<td>K.Corwin 7.27.2020</td>
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June 25, 2020

Mitch Weiss, Executive Director  
California Transportation Commission  
1120 N. Street, MS-52  
Sacramento, CA  95814

RE: SUPPORT OF SANTA CRUZ COUNTY CTC SB-1 LOCAL PARTNERSHIP PROGRAM GRANT APPLICATION IN THE AMOUNT OF $1.35 MILLION DOLLARS FOR HIGHWAY 152/HOLOHAN ROAD INTERSECTION IMPROVEMENTS

Dear Mr. Weiss:

As part of the Regional Transportation Commission of Santa Cruz County (SCCRTC), the members of the Bicycle Advisory Committee (BAC) would like to express support for Santa Cruz County’s grant application for the CTC SB-1 Local Partnership Program (LPP) in the amount of 1.35 million dollars for the Highway 152/Holohan Road Intersection Project. Our committee advises the SCCRTC on bicycle infrastructure and safety improvements for transportation projects throughout Santa Cruz County.

This project consists of improvements at a vital regional intersection frequently used by bicyclists going from the City of Watsonville to schools and rural areas in Southern Santa Cruz County. We support the proposed improvements to the road infrastructure, and would like to thank the County of Santa Cruz for working with the BAC to include green lane treatments and other bike-friendly treatments that will make this area safer for cyclists.

We urge your support for this exciting and long-awaited grant project to improve this intersection for Santa Cruz County and the Watsonville community.

Sincerely,

Amelia Conlen, Chair  
SCCRTC Bicycle Advisory Committee
July 24, 2020

Dear ATP Grant Selection Committee,

On behalf of the Santa Cruz County Regional Transportation Commission’s Bicycle Advisory Committee, I am writing to express support for the City of Santa Cruz’s Active Transportation Program application for the *Swanton Delaware Multiuse Path*. The infrastructure that will be improved through this grant will create a safe, direct route between Westside neighborhoods, Natural Bridges State Park and Beach, the Seymour Marine Exploration Center, and the UCSC Coastal Sciences Campus and improve active transportation for the entire community. Additionally, this project connects to other separated facilities, continuing to build out a safe and separate network for active transportation.

Our community and the Bicycle Advisory Committee are invested in creating more spaces for people to safely walk and bike for transportation and recreation. As we’ve seen an increase in development in this westside neighborhood, the roadway connecting key community destinations is not designed for bicyclists and pedestrians to safely travel. The addition of a multiuse path, protected bike lane, sidewalk, and intersection treatments will increase safety and access for active transportation.

The Bicycle Advisory Committee advocates for improved bike facilities throughout Santa Cruz County, but we know that separated, off-street facilities provide the most opportunity to improve safety and encourage new cyclists. We appreciate the forward-thinking design of this project, which fills a key gap in the bike network between the West Cliff Drive multiuse path and the future Monterey Bay Sanctuary Scenic Trail.

I encourage you to support this valuable project. The *Swanton Delaware Multiuse Path* is an important project to connect the Santa Cruz community via safe active transportation infrastructure. The Bicycle Advisory Committee strongly supports funding this project to improve active transportation in the City of Santa Cruz.

Sincerely,

Amelia Conlen, Chair
SCCRTC Bicycle Advisory Committee
July 24, 2020

Dear ATP Grant Selection Committee,

On behalf of the Santa Cruz County Regional Transportation Commission’s Bicycle Advisory Committee, I am writing to express support for the City of Santa Cruz’s Active Transportation Program Cycle 5 application for the Rail Trail Segment 7 Phase 2 project. The infrastructure that will be improved through this grant will create safer routes for students to travel to school, and improve active transportation for the entire community. The partnership to provide non-infrastructure education and encouragement at Bay View Elementary through innovative “vertical” programming will make this a truly inclusive and effective program and help the next generation become lifelong active transportation users.

Construction of the Rail Trail will be truly transformative for our community. This project, as a part of the Monterey Bay Sanctuary Scenic Trail, is a key piece of the most extensive project for active transportation ever undertaken in Santa Cruz County. The outcome of this project is major mode shift to non-motorized travel along Santa Cruz County’s publicly owned rail corridor. The project builds a challenging .8 mile segment of completely separated multiuse trail for active transportation, connecting to an additional 8 miles of rail trail moving forward at the northern end of this project. This segment contributes to the eventual construction of 32-mile continuous rail trail connecting the coastal cities within the County.

The Santa Cruz Rail Trail is a top-priority project for the Bicycle Advisory Committee, and Committee members have advocated for the project for decades. We are thrilled to see Segment 7, Phase 1 of the trail under construction and strongly support funding for the construction of Segment 7, Phase 2. The Committee advocates for improved bike facilities throughout Santa Cruz County, but we know that separated, off-street facilities provide the most opportunity to improve safety and encourage new cyclists.

I encourage you to support this valuable project. The Rail Trail Segment 7 Phase 2 project is an important next step to connect the Santa Cruz community to schools, employment, and community facilities via a safe, connected, active transportation corridor. The Bicycle Advisory Committee strongly supports funding this project to improve active transportation in the City and County of Santa Cruz.
Sincerely,

Amelia Conlen, Chair
SCCRTC Bicycle Advisory Committee
July 24, 2020

Dear ATP Grant Selection Committee,

On behalf of the Santa Cruz County Regional Transportation Commission’s Bicycle Advisory Committee, I am writing to express support for the City and County of Santa Cruz’s Active Transportation Program application for Santa Cruz Rail Trail Segment 8 and 9 Construction. This project will construct over two miles of completely separated multiuse trail to increase active transportation use in our community.

As community partners, we acknowledge that only by working together will this transformative active transportation corridor be built: one step, one grant, one segment at a time. The Santa Cruz Rail Trail Segment 8 and 9 Construction project is to take the next step in advancing this rail trail which at construction will be the next piece in a world-class 32-mile separated rail trail facility. The Bicycle Advisory Committee strongly supports this project, and this vision for a more active Santa Cruz.

The Santa Cruz Rail Trail is a top-priority project for the Bicycle Advisory Committee, and Committee members have advocated for the project for decades. We are thrilled to see Segment 7, Phase 1 of the trail under construction and strongly support funding for the construction of Segments 8 and 9. The Committee advocates for improved bike facilities throughout Santa Cruz County, but we know that separated, off-street facilities provide the most opportunity to improve safety and encourage new cyclists.

I urge you to support this valuable project. The Santa Cruz Rail Trail Segment 8 and 9 Construction is an important next step to connect the Santa Cruz community to schools, employment, and daily needs via a safe, connected, separated active transportation corridor and to encourage children and families to be lifelong active transportation users. The Bicycle Advisory Committee strongly supports funding this project to improve active transportation in the City and County of Santa Cruz.

Sincerely,

Amelia Conlen, Chair
SCCRTC Bicycle Advisory Committee
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## PROJECTS UNDER CONSTRUCTION

<table>
<thead>
<tr>
<th>Project</th>
<th>Location Post Mile (PM)</th>
<th>Description</th>
<th>Construction Timeline</th>
<th>Construction Cost</th>
<th>Funding Source</th>
<th>Project Manager (Resident Engineer)</th>
<th>Contractor</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Santa Cruz 1 CAPM and Bridge Rails (1C85U)</td>
<td>In and near Santa Cruz from North Aptos up to Jct. Route 9 PM (10.2 to 17.5)</td>
<td>Pavement Rehabilitation, ADA Curb Ramps, Guardrail/Barrier rail/Bridge</td>
<td>June 2, 2019 - Fall 2020</td>
<td>$22 million</td>
<td>SHOPP</td>
<td>Luis Duazo (GG)</td>
<td>Granite Construction Company Watsonville, CA</td>
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<td>2.</td>
<td>Highway 17 Pasatiempo Shoulder Widening (1C670)</td>
<td>South of Pasatiempo overcrossing (PM 0.2/0.5)</td>
<td>Shoulder widening and soil nail wall</td>
<td>Spring 2019-Summer 2020</td>
<td>$5.7 million</td>
<td>SHOPP</td>
<td>Luis Duazo (BR)</td>
<td>Graniterock Company Watsonville, CA</td>
</tr>
<tr>
<td>3.</td>
<td>Highway 17 North Route 17 CAPM (1F760)</td>
<td>Scotts Valley from just north of the Granite Creek Road over-crossing to SCL (PM 6.0/12.5)</td>
<td>Maintenance pavement overlay</td>
<td>Summer 2020</td>
<td>$19 million</td>
<td>SHOPP SB-1</td>
<td>Doug Hessing (JW)</td>
<td>Granite Construction Company, Watsonville, CA</td>
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</tbody>
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## Projects in Development

<table>
<thead>
<tr>
<th>Project</th>
<th>Location Post Mile (PM)</th>
<th>Description</th>
<th>Construction Timeline</th>
<th>Estimated Construction Cost</th>
<th>Funding Source</th>
<th>Project Manager</th>
<th>Phase</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.</td>
<td>Highway 1 Soquel Creek Scour Protection (1H480)</td>
<td>In Capitola at Soquel Creek Bridge (PM 13.3) Bridge preventative maintenance – Place scour protection</td>
<td>Winter 2022</td>
<td>$2.2 million</td>
<td>SHOPP</td>
<td>Luis Duazo</td>
<td>PS&amp;E</td>
<td>PA&amp;ED was achieved 4/14/2020. Project to move into PS&amp;E (Design Phase).</td>
</tr>
<tr>
<td>6.</td>
<td>TMS Detection Repair (1H990)</td>
<td>Various locations throughout District 5 along SRs 1, 17, 68, 156, 101 (PM Various) Replace failed TMS Detection</td>
<td>Summer 2020</td>
<td>$451,000</td>
<td>SHOPP SB-1</td>
<td>Brandy Rider</td>
<td>PS&amp;E/RW</td>
<td>Project is in Design.</td>
</tr>
<tr>
<td>7.</td>
<td>Highway 1/Highway 17 Ramp Safety Improvements (1H060)</td>
<td>From the fishhook to Pasatiempo overcrossing (PM 16.7) Construct ramp safety improvements</td>
<td>Summer 2020</td>
<td>$5.8 million</td>
<td>SHOPP</td>
<td>Luis Duazo</td>
<td>PS&amp;E/RW</td>
<td>PS&amp;E and R/W phase to be completed in June.</td>
</tr>
<tr>
<td>8.</td>
<td>Highway 1 Davenport Culvert Replacement (0J200)</td>
<td>Near Davenport and south of Waddell Creek Bridge (PM 31.9/35.7) Replace culverts</td>
<td>Fall 2021</td>
<td>$3.6 million</td>
<td>SHOPP SB-1</td>
<td>Doug Hessing</td>
<td>PA&amp;ED</td>
<td>The project is in the design, right of way, and permitting phase.</td>
</tr>
<tr>
<td>9.</td>
<td>SCr 9 South Drainage and Erosion Control Improvements (1F920)</td>
<td>From SR 1 and 9 to slightly north of Glen Arbor Road (PM 0.0/8.5) Upgrade drainage systems and stabilize slopes</td>
<td>Fall 2020</td>
<td>$2 million</td>
<td>SHOPP</td>
<td>Doug Hessing</td>
<td>PS&amp;E/RW</td>
<td>Project is in Design.</td>
</tr>
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<td>10.</td>
<td>Highway 9 PM 1.0 and 4.0 Viaduct (1K120)</td>
<td>Near SCr north of Vernon Street (PM 1/1)</td>
<td>Construct side-hill viaduct, restore roadway and facilities, place Water Pollution Control BMPs, erosion control</td>
<td>Fall 2022</td>
<td>$9.9 million</td>
<td>SHOPP</td>
<td>Doug Hessing</td>
<td>PA&amp;ED</td>
</tr>
<tr>
<td>11.</td>
<td>SCr 9 Upper Drainage and Erosion Control Improvements (1G950)</td>
<td>In Boulder Creek from Holiday Lane to just south of Ben Lomond to the SR 236/9 Junction (PM 8.5/25.5)</td>
<td>Upgrade drainage and erosion control</td>
<td>Spring 2023</td>
<td>$5.4 million</td>
<td>SHOPP</td>
<td>Doug Hessing</td>
<td>PA&amp;ED</td>
</tr>
<tr>
<td>12.</td>
<td>Highway 9 San Lorenzo River Bridge and Kings Creek Bridge Replacement (1H470)</td>
<td>Near Boulder Creek, at San Lorenzo River Bridge and at Kings Creek Bridge (PM 13.6/15.5)</td>
<td>Replace bridges</td>
<td>Summer 2022</td>
<td>$12 million</td>
<td>SHOPP SB-1</td>
<td>Doug Hessing</td>
<td>PA&amp;ED</td>
</tr>
<tr>
<td>13.</td>
<td>Highway 9 Hairpin Tieback (1K130)</td>
<td>Near Boulder Creek about 1.1 miles south of the SR 236/9 Junction (PM 19.97)</td>
<td>Soldier Pile Tieback Retaining Wall</td>
<td>Spring 2021</td>
<td>$2.6 million</td>
<td>SHOPP</td>
<td>Doug Hessing</td>
<td>PA&amp;ED</td>
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## PROJECTS IN DEVELOPMENT (Cont’d.)

<table>
<thead>
<tr>
<th>Project</th>
<th>Location Post Mile (PM)</th>
<th>Description</th>
<th>Construction Timeline</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Highway 129/ Lakeview Road Intersection Improvements (1G990)</td>
<td>Near Watsonville, at Lakeview Road (PM 1.4)</td>
<td>Construct roundabout and improve street lighting</td>
<td>2020</td>
<td>$4.5 million</td>
<td>SHOPP</td>
<td>Luis Duazo</td>
<td>PS&amp;E/RW</td>
<td>Utility relocation work schedule to start in late summer/fall of 2020.</td>
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<tr>
<td>Highway 152 Corralitos Creek ADA (05-1F620)</td>
<td>Near Watsonville, East of Beverly Drive to Holohan/College Road (PM 1.9 to R2.0)</td>
<td>Construct Accessible Pathway</td>
<td>Spring 2022</td>
<td>$3.4 million</td>
<td>SHOPP</td>
<td>Mike Lew</td>
<td>PA&amp;ED</td>
<td>Project Report has been approved.</td>
</tr>
<tr>
<td>Crosswalks and Pedestrian Safety Enhancements (1G760)</td>
<td>Various Locations: Highways 1, 9, 129, and 152 (Note: Project also includes six locations in Monterey County, on Routes 68 and 183)</td>
<td>Electrical/Signs/Flashing Beacons/Markings/Pavements</td>
<td>Spring/Summer 2020</td>
<td>$1,000,000</td>
<td>Minor</td>
<td>Mike Lew</td>
<td>PS&amp;E</td>
<td>Contract was awarded to Alfaro Communications Construction and will start in the end of Summer 2020.</td>
</tr>
<tr>
<td>Highway 236 Heartwood Hill Wall (1M450)</td>
<td>Near Boulder Creek (PM 5.4)</td>
<td>Restore Embankment with a Retaining Wall</td>
<td>2022/2023</td>
<td>$1.8 million</td>
<td>SHOPP</td>
<td>Doug Hessing</td>
<td>PID</td>
<td>Project is in the initiation phase.</td>
</tr>
<tr>
<td></td>
<td>Project Description</td>
<td>Locations</td>
<td>Year</td>
<td>Cost</td>
<td>Program</td>
<td>PS&amp;E</td>
<td>Notes</td>
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<td>19.</td>
<td>Santa Cruz &amp; San Benito Rumble Strip &amp; Striping Safety Project (1M330)</td>
<td>Various multi-county locations. For SCR, the project includes 1, 9, 17, 129</td>
<td>2023</td>
<td>$4.7 million</td>
<td>SHOPP Safety Collision Reduction</td>
<td>PS&amp;E</td>
<td>Improvements at various highway locations, various postmiles: Rte. 1: Edge Line/Shoulder Rumble Strip Rte. 9: Update Striping Rte. 17: Edge Line/Shoulder Rumble Strip; Rte 129: Edge Line/Shoulder Rumble Strip; Centerline rumble strip; Update Striping</td>
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</tbody>
</table>

**ACRONYMS USED IN THIS REPORT:**

- **ADA**: Americans with Disabilities Act
- **CEQA**: California Environmental Quality Act
- **CMAQ**: Congestion Mitigation Air Quality
- **CMIA**: Corridor Mobility Improvement Account
- **CTC**: California Transportation Commission
- **ED**: Environmental Document
- **EIR**: Environmental Impact Report
- **PA&ED**: Project Approval and Environmental Document
- **PM**: Post Mile
- **PS&E**: Plans, Specifications, and Estimates
- **RW**: Right of Way
- **SB1**: Senate Bill 1, the Road Repair and Accountability Act of 2017
- **SCL**: Santa Clara County Line
- **SHOPP**: State Highway Operation and Protection Program
- **SR**: State Route
- **STIP**: State Transportation Improvement Program
- **TMS**: Traffic Management System