

**BUS SERVICE AGREEMENT
BY AND BETWEEN
CALIFORNIA POLYTECHNIC STATE UNIVERSITY
AND
THE CITY OF SAN LUIS OBISPO**

1. Preamble

The City of San Luis Obispo ("the City") operates a public transportation system in and around the San Luis Obispo area, primarily composed of its "SLO Transit" bus service ("Bus Service"). California Polytechnic State University ("Cal Poly") is a public university situated adjacent to the City.

The students, faculty and staff at Cal Poly enjoy the benefits of these Bus Services. Cal Poly students in particular constitute a significant portion of bus ridership. Cal Poly wishes to encourage student, faculty and staff utilization of these Bus Services as part of its overall transportation and sustainability strategies and as a convenience to its students.

Because the Cal Poly community represents a significant portion of the City's population, Cal Poly utilization of Bus Services also advances its transportation and sustainability goals. Furthermore, strong Cal Poly ridership enables the City to capture transportation funding from various state and federal sources in addition to the consideration paid directly by Cal Poly. These funds allow the City to provide more robust transportation services to the entire San Luis Obispo community.

In furtherance of these mutual goals and benefits, the parties hereby enter into the following Agreement. This Agreement supersedes all terms and conditions contained in the previous agreement on the same subject with a term ending June 30, 2011.

2. Term

The term of this agreement will commence on July 1, 2011 and end June 31, 2016. In the event that a new agreement is not executed prior to the end of this term the parties agree that any services rendered by the City at the request of Cal Poly after that date will be on a month to month basis at the then current prorated rate.

3. Bus Services

a. **No Fare:** In exchange for the consideration described in Section 4, no fare of any kind shall be charged to Cal Poly students, faculty and staff upon presentation of a valid Cal Poly ID card.

b. **Base Transit Service**

i. **Definition:** "Base Transit Service" shall be defined as all Bus Services, including all daytime and evening routes servicing the Cal Poly campus ("Cal Poly Routes"), in operation as of July 1, 2011.

ii. **Changes to Base Transit Service**

1. No Changes will be made to Base Transit Service without first notifying Cal Poly's Commuter and Access Services Coordinator ("CAS Coordinator"). Upon request, the City will meet and confer with the CAS Coordinator to discuss any such changes and their potential impacts on the Cal Poly community. During this meet and confer process, the City will, in good faith, consider any alternatives presented by Cal Poly. The City further agrees to include the CAS Coordinator in its planning and development process to the extent changes in Base Transit Service may result.
2. No changes will be made to Cal Poly Routes without having met and conferred with Cal Poly.
3. To the extent changes to Base Transit Service, whether consented to or otherwise, materially impact Cal Poly's beneficial use Bus Services provided by the City, the parties will meet and confer to discuss potential reduction of consideration as described in Section 4.

4. **Consideration**

Cal Poly agrees to pay the City in exchange for the services described in this agreement in accordance with the following terms and conditions:

- a. **Payment Schedule:** Payment will be made in arrears on a prorated quarterly basis in accordance with the below schedule of annual sums. Both parties acknowledge that, while the annual percentage increases vary from year to year, it was intended that the average annual increase equal three percent (3%). This intent will be given due consideration in the event that adjustments to consideration become necessary.

FY 11/12	\$380,000
FY 12/13	\$395,200
FY 13/14	\$403,104
FY 14/15	\$415,197
FY 15/16	\$427,653

- b. **Adjustments to Consideration:** In the event that one or more of the following circumstances arises, the parties agree to negotiate in good faith to make reasonable adjustments to the consideration to be paid for a fixed term or for the balance of the term

of this agreement. Increases and decreases in consideration will be considered in equal measure in accordance with increases or decreases in these economic factors.

- i. **Grant Funding:** Grant funding provided through federal and state programs may fluctuate during the term of this agreement. In recognition of this, the parties agree that the "Base Grant Funding Amount" will be defined as the total amount of operating assistance grant funding received by the City for the purpose of supporting and promoting public transportation services during FY 11/12. In the event that grant funding for any subsequent fiscal year either exceeds or falls short of the Base Grant Funding Amount by more than ten percent (10%), the parties agree to reopen negotiations on consideration recognizing that any mutually agreeable changes in consideration will not be effective prior to the subsequent year.
- ii. **Changes to Base Transit Service:** In the event that changes are made to Bus Service as described in Section 3 because of increased operating costs or insufficient farebox recovery, the parties agree to reopen negotiations on consideration.
- iii. **Fuel Prices:** The parties agree that the "Base Fuel Price" is four dollars (\$4.00) per gallon of diesel for FY 11/12. The Base Fuel Price will be increased annually by three percent (3%). If the actual average fuel cost paid by the City exceeds or falls short of the Base Fuel Price by more than fifteen percent (15%) for any six (6) month period of any fiscal year of this agreement, the parties agree to engage in good faith negotiations regarding implementation of a surcharge or credit. Any agreed upon surcharge or credit will be assessed in the subsequent fiscal year on a one-time basis. The agreed upon consideration for any remaining years will be unaffected.

5. Full Disclosure

The City agrees to share with Cal Poly all relevant information and documentation relating to its operation of Bus Services. Reports and related documents on the subjects enumerated below will be provided to Cal Poly's CAS Coordinator on a regular basis as prepared during the ordinary course of business. The City will provide any other relevant documents or information upon request.

- a. Revenue and expenses (operational costs)
- b. Ridership
- c. Farebox ratio
- d. Grant funding
- e. Agreement with contract operator

6. Cooperation

It is in the interest of both parties to cooperatively pursue any and all opportunities to reduce costs, increase revenues and to execute plans for a more efficient transportation system. To this end, both parties agree to make their respective resources available to advance the following goals and activities:

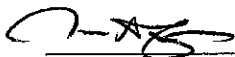
- a. Bus Service promotion and marketing
- b. Identify and apply for grants
- c. Rider surveys
- d. Bus Service planning and development
- e. Cal Poly Master Plan development

7. Insurance

The City agrees to maintain insurance coverage as specified in Exhibit "A" for the duration of this agreement.

AGREED:

CAL POLY



Dru Zachmeyer, Associate Director
Contracts, Procurement & Risk Mgmt.

8/11/11

Date

CITY OF SAN LUIS OBISPO



By: MICHAEL CODRON
Its: ACTING CITY MANAGER

9/21/11

Date

APPROVED AS TO FORM:


J. CHRISTINE DIETRICK
City Attorney

EXHIBIT "A"

INSURANCE REQUIREMENTS

The Contractor will maintain all necessary Insurance as required herein. The Contractor shall provide a Certificate of Insurance with appropriate endorsements indicating that the required coverage is in effect on an annual basis, or for the duration of the Agreement. Contractor agrees to provide, or cause their insurance carrier to provide, at least 30 days written notice prior to cancellation or modification (10 days advance written notice for non-payment) of such liability insurance. In the event the insurance coverage expires at any time or times during the term of the Agreement, Contractor agrees to provide at least 15 days prior to said expiration date, a new certificate of insurance evidencing coverage as provided herein for not less than the remainder of the term of the Agreement, or for a period of not less than one year. New certificates of insurance are subject to the approval of the CSU, and Contractor agrees that no work or services shall be performed prior to the giving of such approval. In the event the Contractor fails to keep in effect at all times insurance coverage as herein provided, the CSU may in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event. Contractor agrees to waive their right of subrogation against the CSU for any claims.

Insurance to be placed with the California Admitted insurer with current A.M. Best's rating of no less than A:VII unless otherwise approved by the CSU.

If any Insurance required herein is written on a claims-made form, following the termination of this Agreement, coverage shall survive for a period of not less than three years. Coverage shall provide for a retroactive date of placement coinciding with the Agreement commencement date.

Commercial General Liability Coverage (as broad as ISO occurrence for CG0001) primary insurance coverage against claims for injuries to persons or damages to property and/or damages to property and/or contractual liability which may arise from or in connection with the performance of the work or operations hereunder by or on behalf of the Contractor, its agents, representatives or employees in an amount not less than \$1,000,000.00 (One million dollars) per occurrence; \$2,000,000.00 (Two million dollars) aggregate.

Endorsements shall designate:

The State of California, Trustees of the California State University, California Polytechnic State University San Luis Obispo, and each of their officers, officials, employees, authorized representatives, agents and volunteers, the "CSU", as **additional insured(s)**.

Endorsements shall state this insurance shall be primary as respects the CSU, or if excess, shall stand in an unbroken chain of coverage excess of the Named Insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the University scheduled above shall be in excess of this insurance and shall not be called upon to contribute with it.

Business Auto Liability Coverage (as broad as ISO form number CA 0001, code 1 any auto) primary insurance against claims for injuries to persons or damages to property and/or contractual liability which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives or employees covering owned, hired, agreementd and non-owned automobiles used by or on behalf of the Contractor, including coverage for uninsured and underinsured motorists, in an amount not less than \$1,000,000.00 (One million dollars) per occurrence.

Endorsement shall designate:

The State of California, Trustees of the California State University, California Polytechnic State University San Luis Obispo, and each of their officers, officials, employees, authorized representatives, agents and volunteers, the "CSU", as **additional insured(s)**.

Endorsement shall state that this insurance shall be primary as respects the CSU, or if excess, shall stand in an unbroken chain of coverage excess of the Named Insured's schedule underlying primary coverage. In either event, any other insurance maintained by the CSU scheduled above shall be in excess of this insurance and shall not be called upon to contribute with it.

Contractors who are sole proprietors and are using automobiles for personal transportation only may submit proof of automobile insurance as required by California law.

Worker's Compensation and Employer's Liability Coverage:

The Contractor shall provide the following coverage:

Primary insurance coverage against claims with respect to obligations imposed on the Contractor and sub contractors by State worker's compensation statutes and damages that the contractor becomes legally obligated to pay because of bodily injury by accident or disease to an employee.

Minimum limits: amount proscribed by California law for Worker's Compensation, \$1,000,000 for Employer's Liability.

Endorsement shall state that the insurer waives their right of subrogation against the CSU

Sole Proprietors Exclusion

Contractors who are sole proprietors or are otherwise excluded from state requirements for workers compensation coverage may:

- 1) Submit proof of health insurance as broad as statutorily required by the State of California for employees and either submit proof of disability insurance as broad as statutorily required by the State of California for employees

OR

- 2) Execute a Reagreement Agreement with the University regarding the contract activities to be performed.

RESOLUTION NO. 11154 (2020 SERIES)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN LUIS OBISPO, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE AN EXTENSION OF THE 2011-2016 TRANSIT SUBSIDY AGREEMENT BETWEEN THE CITY OF SAN LUIS OBISPO AND CAL POLY

WHEREAS, the City of San Luis Obispo (referred hereinafter as the City) operates SLO Transit, a municipal public transit system; and

WHEREAS, California Polytechnic University (referred hereinafter as the Cal Poly) is situated in an unincorporated area of San Luis Obispo County (hereinafter referred to as the County), immediately adjacent to the City, within the jurisdiction and service area of the County; and

WHEREAS, since 1985, the City has received a subsidy from Cal Poly in accordance with a written transit subsidy agreement to allow Cal Poly students, staff, and faculty with valid Cal Poly identification to board any bus operated by SLO Transit without paying a fare; and

WHEREAS, the parties most recently entered into a long-term transit subsidy agreement with a 2011-2016 term (hereinafter referred to as the 2011-2016 Subsidy Transit Agreement), which has been extended by the parties three (3) times; and

WHEREAS, the third extension to the 2011-2016 Transit Subsidy Agreement expired on June 30, 2020; and

WHEREAS, the parties have attempted to negotiate and finalize a new long-term transit subsidy agreement, but those efforts have been delayed due to unforeseen circumstances and complexities including changes to ridership levels and the impacts of COVID-19; and

WHEREAS, the parties agree that executing an additional one (1) year extension to the 2011-2016 Transit Subsidy Agreement, including all of its terms and conditions, serves the best interest of the parties, namely providing Cal Poly students, staff, and faculty continued subsidized access to SLO Transit while the parties negotiate and finalize a new long-term transit subsidy agreement; and

WHEREAS, the City and Cal Poly desire to continue the program and have jointly developed a mutually acceptable solution.

NOW THEREFORE, BE IT RESOLVED that the City Manager is authorized to execute the one (1) year extension to the parties' 2011-2016 Transit Subsidy Agreement and approve any amendments during the term of the extended 2011-2016 Transit Subsidy Agreement.

Upon motion of Council Member Christianson, seconded by Council Member Stewart, and on the following roll call vote:

AYES:	Council Member Christianson, Pease, Stewart, Vice Mayor Gomez and Mayor Harmon
NOES:	None
ABSENT:	None

The foregoing resolution was adopted this 18th day of August 2020.

DocuSigned by:

Heidi Harmon

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Mayor Heidi Harmon

ATTEST:

DocuSigned by:

Teresa Purrington

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Teresa Purrington
City Clerk

APPROVED AS TO FORM:

DocuSigned by:

J. Christine Dietrick

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J. Christine Dietrick
City Attorney

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Luis Obispo, California, on 8/19/2020 | 3:49 PM PDT.

DocuSigned by:

Teresa Purrington

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Teresa Purrington
City Clerk



Public Works

919 Palm Street, San Luis Obispo, CA 93401-3218
805.781.7200
slocity.org

Monday, June 29, 2020

This letter represents a third extension of the existing 'Bus Service Agreement By and Between California Polytechnic State University and the City of San Luis Obispo' first executed in 2011. This agreement would be effective July 1st, 2020 under the following terms and conditions:

1. Baseline Information

- a. Existing Agreement – annual payment amount \$533,139
- b. Existing Agreement Quarterly Payment Amount \$133,285

2. Term

- a. One (1) Fiscal Years; July 1st 2020 through June 30th 2021

3. Financial Contribution

- a. City will reduce Cal Poly's 4th Quarter payment for current 2019-20 by 75% to \$33,321, as it relates to COVID related service changes and ridership levels
- b. City will charge Cal Poly a reduced tiered rate for Transit Services in 2020-21 and proposes as follows.

<u>Ride Range (Cumulative Annual Trips)</u>	<u>Fare</u>	<u>Maximum Cost Per Ride for Tier of Service</u>	<u>Cumulative Cost</u>
1 To 100,000	Flat Fee (1 st quarter payment)	\$150,000	\$150,000
100,001 To 200,000	\$1.25 per ride	\$125,000	\$275,000
200,001 To 400,000	\$0.75 per ride	\$150,000	\$425,000
400,001 To 600,000	\$0.50 per ride	\$100,000	\$525,000
600,001 To Unlimited	\$0.25 per ride		

5. An initial billing for \$150,000 will be issue at the beginning of the 2020/21 Fall Qrt. Ridership will be monitored via transit vehicle Farebox system. If incremental ridership thresholds are met, subsequent billings will occure quarterly.

6. Service Level

- a. Parties agree service levels could be altered due to social distancing requirements and or reduced ridership.
- b. Parties will communicate about service needs and availability and will adjust if possible but acknowledge implementation may take time and there may be some resource constraints.
- c. City to coordinated with the University on transit service levels and consistent County emergency coordinating services
- d. All terms consistent with the 2011 Agreement and are in effect through the extension.

7. Next Steps

- a. The parties will negotiate a new agreement during this extension.

The City of San Luis Obispo once again thanks CalPoly for this longstanding collaborative partnership and looks forward to a partnership that meets the goals of the University and the City.


City

Signature: 
DocuSigned by:
793D822F72C3450

Title: city manager

Date: 8/19/2020 | 4:09 PM PDT

CalPoly

Signature: 
Dru Zachmeyer (Aug 7, 2020 11:40 PDT)

Title: AVP Strategic Business Services

Date: 08/07/2020