

## USER AGREEMENT

1. This User Agreement is entered into between **The City of San Luis Obispo** "Contracting Agency" and **Kuba Inc.** "Contractor". This User Agreement expressly incorporates the California Master Service Agreement (MSA) No. 5-21-70-28-02 which is incorporated herein. This User Agreement contract form serves as an appropriate equivalent to the STD 213 as required by the MSA.

**Contracting Agency: The City of San Luis Obispo**

**Contractor Name: Kuba Inc.**

2. The Term of this Agreement is:

**Start Date: [ENTER DATE EXPECTED TO SIGN]**

**Through End Date: 02/28/2027** with the ability to extend at the discretion of the State of California's Department of General Services

3. The maximum amount of this Agreement is:

**See Exhibit B for pricing on capital costs only, operating expenses are documented in a separate agreement.**

4. **Exhibits.** The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of this agreement.

Exhibits	Title	Pages
Exhibit A	San Luis Obispo (SLO) Transit's Scope of Work	6
Exhibit B	Payment Provisions	2
MSA 5-21-70-28-02	MSA 5-21-70-28-02 is hereby incorporated by reference. The MSA is available at: <a href="https://caleprocure.ca.gov/PSRelay/ZZ_PO.ZZ_CTR_SUP_CMP.GBL?Page=ZZ_CTR_SUP_PG&amp;Action=U&amp;SETID=STATE&amp;CNTRCT_ID=5-21-70-28-02">https://caleprocure.ca.gov/PSRelay/ZZ_PO.ZZ_CTR_SUP_CMP.GBL?Page=ZZ_CTR_SUP_PG&amp;Action=U&amp;SETID=STATE&amp;CNTRCT_ID=5-21-70-28-02</a>	

In Witness Whereof, This Agreement has been executed by the parties hereto.

Contractor:

Date: \_\_\_\_\_

**Kuba Inc.**

PO Box 31804

Las Vegas, NV 89173-31804

Brian Frank, General Manager: Kuba North America Transit

Contracting Agency Name:

Date: \_\_\_\_\_

**City of San Luis Obispo**

990 Palm Street

San Luis Obispo, CA 93401

Whitney McDonald, City Manager

## **EXHIBIT A**

### **Scope of Work**

#### **1. Incorporate MSA by Reference**

MSA 5-21-70-28-02 and its amendments is hereby incorporated by reference as if attached hereto.

#### **2. Description**

Three transit operators in the region will lead the project with support from the San Luis Obispo Council of Governments (SLOCOG). In 2024, the region was awarded SB125 funds to collaboratively deploy contactless payment technology across the region's operators. The goal is to select matching vendors across each transit provider.

The three transit operators that serve the SLOCOG region, and are part of this award, include San Luis Obispo Regional Transit Authority (RTA), Morro Bay Transit (MBT), and San Luis Obispo (SLO) Transit. A brief description of each transit provider follows:

##### **RTA**

The RTA was created in 1989 as a Joint Powers Authority to provide management of regional fixed-route public transportation services, as well as regional paratransit services. In 2001, the paratransit service, called RTA Runabout, began providing complementary ADA service for all five fixed-route providers operating in the region. The mission of the RTA is to provide safe, reliable and efficient transportation services that improve and enhance the quality of life for the citizens and visitors of San Luis Obispo County. The County is located on the beautiful Central Coast of California, halfway between Los Angeles and San Francisco. The current population of the county is 284,010, including that of three small, urbanized areas (UZAs): San Luis Obispo designated in 1990; El Paso de Robles-Atascadero in 2000; and Arroyo Grande-Grover Beach in 2010. The RTA coordinates regional services with local fixed-route providers in each UZA in the County, as well as within the Santa Maria UZA (population 130,000) in nearby northern Santa Barbara County.

The RTA directly operates hourly service on four regional fixed-routes and ADA paratransit services primarily along the US-101 and SR-1 corridors, as well as express commuter services during peak travel periods. Three out of the four regional fixed routes converge on downtown San Luis Obispo, 7 days a week. The RTA regional fixed-route service has a peak pull-out of 15 buses, and provides almost 500,000 passenger-trips annually, while weekday productivity ranges from 4 to 23 boardings/hour. The RTA also operates community-based services funded by SLO County in small rural areas and is funded by the City of Paso Robles to operate its local fixed-route and a local Dial-A-Ride programs. Finally, as of January 2021, the RTA also directly operates SoCo Transit – the eight-bus local fixed-route service operated in the Beach Communities of the Five Cities Area. These services provided over 300,000 additional fixed route trips with productivity in line with what is seen on the RTA regional fixed routes. Fixed route fare revenue is approximately \$1 million per year and is expected to increase as ridership increases.

##### **MBT**

The City of Morro Bay is located on the central coast of California approximately halfway between San Francisco and Los Angeles. The City has a population of 10,531. In 1977, the City began operating a year round general public Dial-A-Ride service. The Dial-a-Ride service was replaced in October 2010 with a deviated fixed route system after recession-related reductions in State funding necessitated adaptations in how the service was provided. The deviated fixed route service operates within the City limits from 6:10 a.m. to 6:45 p.m., Monday through Friday. Service provided is on one fixed route loop throughout the City limits and deviates off route, using one bus, to pick up/drop off riders who have previously scheduled curb-to-curb trips (Call-A-Ride trips). These deviated trips are arranged the day prior to the needed curb-to-curb service; however, same day trips are also accommodated if they do not cause the fixed route to become behind schedule. Morro Bay Transit is closed on weekends and all City observed holidays.

Additionally, in 1994, the City began operating a seasonal trolley fixed route service. Over time, trolley service expanded first to two, then to three routes that came from recommendations from a parking management

plan study and Short-Range Transit Plan update. Service provided is on two fixed route loops throughout the City limits. Trolley service operates weekends only from the first weekend in June to the first weekend in October. Service begins at 10:00 a.m. each operating day and ends at 5:00 p.m. on Saturdays and Sundays.

Both the deviated fixed route and Trolley services are currently contracted out to a third party provider, however, in September 2024, the City Council approved the consolidation of MBT into the RTA system. RTA will start operating MBT June 1, 2025.

During the pandemic, service levels changed for the Trolley with cuts in the number of service routes and days operated, and for the deviated fixed route, Saturday service was stopped. Currently, the trolley routes see an average daily ridership of 110 riders per day and the deviated fixed route service sees an average daily ridership of 47 riders per day.

Ridership is split between cash fares (39%), punch passes (12%), Regional Passes (35%), Runabout rides paid through a reimbursement agreement with the RTA (4%), and free Gold pass rides (10%). MBT and Trolley fare collection is processed 100% manually by the drivers. Ridership demographics span all types of the population from child, adult, senior, those with disabilities, students K-12, college students, visitor service workers, working professionals, and visitors. Revenue from cash fares totaled \$9,882.75 and revenues from the Regional Pass and Runabout fare reimbursement program totaled \$5,579.17 for FY 23/24.

MBT service provides a connection to the RTA system at City Park as well as connections to the City's seasonal Trolley service at Centennial Stairway and along north Main Street. MBT's Trolley service links the Downtown Business District, Waterfront, State Parks in the north and south ends of the community, and the Museum of Natural History. In addition, the service provides a connection to the RTA system at City Park upon request. The connection provided by both services is an important link with the RTA system to the other communities in San Luis Obispo County, and connections to a major community college (Cuesta College), state university (California Polytechnic State University - SLO), the County seat in San Luis Obispo, as well as many links to coastal recreational venues and access to service jobs at destinations around the coast such as Hearst Castle.

MBT services may be consolidated to RTA in mid-2025. Vendors, please assume that any information in this Scope specific to MBT will remain unchanged regardless of said decision. The operators shall inform vendors if a consolidation is confirmed.

### **SLO Transit**

San Luis Obispo (SLO) Transit was established in 1974 by the City of San Luis Obispo (City) and provides the local fixed-route public transit system for the City. The City is located along the Central Coast region of California, halfway between San Francisco and Los Angeles. The City has a population of 47,063 with an estimated additional population of 21,600 students when California Polytechnic State University (Cal Poly) is in session.

SLO Transit contracts for the operation of eight fixed routes, in a hub-and-spoke model, within the 23 square miles of the City limits and on Cal Poly's campus. SLO Transit also operates three tripper services, an express service between the university and downtown, and a trolley on Thursday nights in support of a local farmer's market. Fixed-route services operate Monday through Friday approximately from 6 am to 11 pm and Saturday and Sunday from 8 am to 8 pm during the academic year.

SLO Transit ridership demographics reflect a broad cross section of the population. While the majority of trips are campus-related (roughly 60%), SLO Transit also serves seniors, persons with disabilities, K-12 students, working professionals, visitors, and other choice riders. College students, staff, and faculty's fares are paid for by a transit service agreement between the City and the university. Revenue from cash fares exceeded \$250,000 last fiscal year. Over 575,000 passenger-trips were provided in 2024 including riders covered by transit service agreements. The number of passenger-trips and fare revenue continues to increase each year as services are expanded.

## **3. Regional Expectations**

Although each agency shall retain autonomy, work, and contract directly with vendors, there are region-level needs to note:

- RTA shall contract on behalf of MBT and their services
- The Category A vendor shall provide a single integration to Token Transit, who currently provides regional passes
- The Category B vendor shall enable regional capping – a regional day-pass (\$5.50) and a regional 31-day pass (\$68) across all fixed-route services

**While the scope of work submitted to vendors aims for a regional collaboration, sections of this scope of work hereafter pertain to SLO Transit only.**

#### 4. Determining internal responsibilities for the project

Vendors should coordinate directly with the following contact during the course of the project.

**Alex Fuchs**

*Mobility Services Business Manager*

[afuchs@slocity.org](mailto:afuchs@slocity.org)

#### 5. Fare Structure and Business Rules

SLO Transit's base fare structure shall at a minimum include the following:

	SLO Transit Fixed-Route
One-way	\$1.50
Transfers	Free across SLO Transit, up to an hour
Daily Cap	\$3.25
Weekly Cap	
Monthly Cap	\$40
Regional Daily Cap	\$5.50
Regional Monthly Cap	\$68

Existing discounts (seniors, persons with disabilities, etc.) will continue to be offered on the legacy systems. When such capability is available to offer those discounts on the contactless payment system, the SLO Transit **may request that the Category B provider integrate with the resulting Eligibility Verification system** to do so.

## 6. On-board Technologies

SLO Transit's fleet consists of 18 fixed route vehicles ranging from a 28-foot cutaway bus to a 40-foot double decker bus:

- 14 Gillig vehicles that are 30, 35, and 40 feet
- 1 electric 35-foot New Flyer vehicle
- 1 electric 35-foot Proterra vehicle
- 1 28-foot El Dorado cutaway vehicle
- 1 40-foot Alexander Dennis double-decker bus

Six new battery electric buses are expected to arrive in fall 2025 and another two in summer 2026 which will replace older diesel-powered buses.

Vehicles are currently leveraging Peak Transit for CAD-AVL services and are connected to the Verizon network via SIM cards.

The City of San Luis Obispo uses Chase Bank's Paymentech for merchant processing but shall leverage California's EPAY agreements to contract with an acquirer for this project.

## 7. Items Specific to Category A (PADs)

SLO Transit shall have PADs installed near the front door of each vehicle and will be wired to the bus battery, barring vendor inspection of vehicles. The following hardware quantities are to be installed, the Category A vendor shall provide a delivery timeframe.

<b>PADs to be installed</b>	18
<b>Spare PADs</b>	5
<b>Total</b>	<b>23</b>

### Value-add Requests

The Category A vendor shall complete the installation of PADs and will provide an extended warranty on all PADs purchased. All devices shall be equipped with hardware to read barcode/QR codes.

### 7.1 Determining whether any changes are needed to default Category A service level agreements (SLAs) in the User Agreement

SLO Transit accepts the default SLAs.

## **8. Items Specific to Category B (Transit Processor Services)**

SLO Transit shall select a single Category B vendor to process transactions made on the PADs. Please refer to sections 1-6 above for applicable business rules and technologies. The transit operators accept the vendor's customer support channels for both riders and agency personnel.

SLO Transit requires access to a data dashboard to view transaction data. Raw (CSV) format is acceptable. At a minimum, reports shall include but not be limited to:

- Revenue report (including the number of transactions and total transaction amounts)
- Operations report (including the total revenue per route per day, the number of boardings per route per stop per hour per day, and any other metrics as agreed between the Transit Agency and Transit Processor)
- KPI report (documenting all service levels in relation to the KPIs)
- Number of new customers and returning customers
- Bad debt and debt recovery reports
- Dispute and chargeback reports
- **Ridership by pass per route (for example, for a pass how many trips during the month on MBT, RTA (by each route operated by RTA), and SLO Transit**

### **Value-add Requests**

SLO Transit does not request any value-add services at this time.

### **8.1 Determining whether any changes are needed to default Category B service level agreements (SLAs) in the User Agreement**

Not offered.

## **EXHIBIT B PAYMENT PROVISIONS**

### **1. RATES**

The not-to-exceed pricing for MSA products and services to be provided to Transit Agencies are listed in Exhibit B.1 - Rate Sheet. All prices and fees shall be fixed for the entire MSA term including any optional extension periods unless the State approves a price adjustment in accordance with Section 6, Rate Adjustments.

#### **A. Payment Acceptance Devices - Category A**

For Category A Products and Services (related to capital expenses only), rates are determined for **San Luis Obispo Transit** are as follows:

<b>Description</b>	<b>Unit of measure</b>	<b>Rate</b>	<b>Qty</b>	<b>Months</b>	<b>Total</b>
Stand Alone Devices - ABT 3000	Unit	\$994.87	23		\$22,882.01
Stand Alone Devices - ABT 3000 (spares)	Unit	\$994.87	5		\$4,974.35
Mounting Poles	Unit	\$105.33	23		\$2,422.59
Installation of PAD	Unit	\$562.50	23		\$12,937.50
Implementation Service	Once-off	\$7,500	1		\$7,500.00
Integration with Transit Processor	Once-off	\$9,440.00	0		\$0.00
EMV Level 3 Certification	Once-off	\$3,146.67	0		\$0.00
Integration with 2D Bar Code Processor	Once-off	\$9,440.00	0		\$0.00
Custom development: Barcode reader (\$195 per device)	Hourly	\$137.50	39.71		\$5,460.00
Custom development: Token Transit integration implementation	Hourly	\$137.50	21.82		\$3,000.00

### **2. TRANSIT PROCESSING SERVICES RATE DETERMINATION AND PUBLICATION (Category B Only) (Not Applicable)**

### **3. TRAVEL**

Transit Agencies may allow additional travel reimbursement as permitted, which must be itemized separately on the invoice. The Contractor must have prior approval by the Transit Agency for any additional travel reimbursement.

### **4. INVOICES**

#### **A. Submission of Invoices**



- 1) The Contractor shall submit itemized invoices to the Transit Agency contact person at the address contained in the Transit Agency's User Agreement. The information is mandatory information to be provided for all invoices:
  - a) DGS MSA Number
  - b) Transit Agency Contract Number
  - c) Transit Agency Order Number
  - d) Transit Agency Billing Code
  - e) Transit Agency Name
  - f) Transit Agency Address
  - g) Description of services ordered
  - h) Pricing information, specified by Tier or Breakpoint where applicable
- 2) The Transit Agency contact person will verify and approve, or disapprove, the invoiced items. If the Transit Agency does not approve the invoiced items, the invoice will be disputed and returned to the Contractor for correction.

## **5. PAYMENT**

Payment for services performed under this Contract will be made upon satisfactory completion of services rendered. The Contractor shall invoice Transit Agencies in arrears upon successful completion of services. Invoices for services are not due and payable, and do not constitute an obligation of the Transit Agency, until the month following the month for which charges are accrued.

The payment terms for the Capital Expenditures portion of the products and services delivered under this Contract will be paid in the percentage amounts noted below:

- 40% on Notice to proceed
- 40% on delivery
- 20% on acceptance.

The costs for the required T-clamps, plates and onsite survey are not included in the pricing table in Section 1 of this Exhibit B. Contractor shall invoice the Transit Agency for any costs related to these items separately.

Payment shall be made within 45 days in accordance with, and within the time specified in Government Code Chapter 4.5, commencing with Section 927 unless agreed otherwise in the User Agreement.

## **6. RATE ADJUSTMENTS**

Contractor may request Consumer Price Index (CPI) rate increases for services should the State decide to execute the options to extend. Rate increases may be requested no more than once annually and may only be requested following the initial five (5) year term of the Agreement. Rate increases shall be capped at three percent (3%) for a given year and may only be requested when the CPI for the "Public Transportation" goods and services category, as published by the U.S. Department of Labor, Bureau of Labor Statistics has increased one percent (1%) or greater for the previous calendar year. The website, subject to change without amendment to this Agreement, can be found at the [CPI Index](https://www.bts.gov/components-consumer-price-index-transportation) (<https://www.bts.gov/components-consumer-price-index-transportation>).

The Contractor shall submit a written request to the DGS Contract Administrator, provide a copy of the index and other supporting documentation necessary to support the adjustment. Rates will be fixed for twelve (12) months following an approved price adjustment. Adjustments shall not be retroactive.