

**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, on behalf of the CSU Board of Trustees, (“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 constitute a significant portion of bus ridership. Cal Poly wishes to encourage students, faculty, and staff to use these Bus Services as part of its overall transportation and sustainability strategies and as a convenience to its students.

City has adopted its Climate Action Plan (CAP) with the goal of carbon neutrality by 2030. The CAP identified the City’s public transportation system as a vital component to meet this goal. The City wishes to provide public transportation services to the community to comply with the CAP.

The City of San Luis Obispo and Cal Poly partnered in a joint process to develop a financial model that provides each entity a multi-year, sustainable financial path related to transit cost recovery/costs for services required to serve the Cal Poly community.

In furtherance of these mutual goals and benefits, the parties hereby enter into the following Agreement.

2. Term

The term of this Agreement will commence on July 1, 2024, and end June 30, 2027.

This Agreement supersedes all terms and conditions contained in all previous agreements between the parties. This Agreement may be extended for two additional years upon mutual written agreement of the parties.

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”) located at 1 Grand Avenue, San Luis Obispo, CA 93407.

- ii. **Changes to Base Transit Service**

- 1. No changes will be made to Base Transit Service without first notifying Cal Poly’s Associate Vice President for Financial Services (AVP) or designee. Upon request, the City will meet and confer with the AVP 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 AVP 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 of Bus Services provided by the City, the parties will meet and confer to discuss potential reduction of consideration as described in Section

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:** Cal Poly will make annual fixed payments to the City for Bus Services as described in Section 3(a) based on the below schedule. Payment will be made in arrears quarterly.

| Period | Annual Payment | Quarterly Payment |
|------------------------------------|----------------|-------------------|
| July 1, 2024 through June 30, 2025 | \$750,000 | \$187,500 |
| July 1, 2025 through June 30, 2026 | \$750,000 | \$187,500 |
| July 1, 2026 through June 30, 2027 | \$750,000 | \$187,500 |
| July 1, 2027 through June 30, 2028 | \$750,000 ** | \$187,500 |
| July 1, 2028 through June 30, 2029 | \$750,000 ** | \$187,500 |

** If extended

- b. **Fare Changes:** City is mandated to maintain a 20% farebox ratio to remain eligible for state funding. The City will increase fares if state funding is in jeopardy. The City will meet and confer with CAS Coordinator to discuss any fare increase. Any new fare will be used to determine quarterly payments under Section 4(a) while that fare is in effect.
- c. **Reopener:** The parties retain the option to request a contract reopener if the following events occur: 1) Cal Poly ridership increases or decreases 10% or more in any year, or 2) City of SLO increase in fare box rate of 25% over the duration of the contract. If neither occurs the annual payment amount shall remain as listed in Section 4(a).

5. Full Disclosure

The City agrees to share with Cal Poly all relevant information and documentation relating to City's operation of Bus Services. Reports and related documents on the subjects enumerated below will be provided to Cal Poly's Director of Transportation and Parking Services or designee on a regular basis as prepared during the ordinary course of business. The City will provide any other relevant documents or information upon request, including but not limited to the following:

- a. Revenue and expenses (operational costs)
- b. Ridership
- c. Farebox ratio
- d. Bus Replacement
- e. Discretionary Grant Applications

Cal Poly agrees to share with City all relevant information and documentation relating to the parking fund and funding to the zero-fare bus pass program.

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 including:

- 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 and Cal Poly are self-insured entities. The City and Cal Poly, and each of their respective officers, employees and agents, shall be named as additional insureds under the commercial general liability insurance policy maintained by the transit service provider contracted with by City to provide public bus transit services in and around the City of San Luis Obispo.


8. Entire Agreement, Amendments

This Agreement constitutes the entire agreement between the parties and supersedes any and all prior discussions, negotiations or agreements, whether written or oral, that are not fully set forth in this Agreement. This Agreement may only be amended, modified, or extended by a writing executed by all Parties.

AGREED:

CAL POLY ON BEHALF OF
CSU BOARD OF TRUSTEES

CITY OF SAN LUIS OBISPO


Dru Zachmeyer (Feb 26, 2024 13:10 PST)

Signature

Signature

Dru Zachmeyer

Name

Name

Assistant Vice President, SBS

Title

Title

Date

Date